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BOOK OF FORMS

USED WITH THE

Gliss
Actual
Business
Start,
SYSTEM OF
FROM THE

1369





BOOK OF FORMS

USED WITH THE

Bliss SYSTEM OF
Actual
Business
FROM THE *Start.*

F. H. BLISS.

1900.



F. H. BLISS.

1900.

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PREFACE.

Keeping in mind that the source of knowledge which underlies the whole system of business education is the well regulated business office itself, the author has made no attempt to advance new theories or present original forms. In other words, it is not the intention of this work to teach old bookkeepers new ideas, but on the other hand, we have accepted every opportunity to let them teach us the latest and most practical forms that are in actual use in the office. Discarding theory, and introducing all that is practical, we present herein forms and business methods which are thoroughly up-to-date, so that when our student leaves the school to accept a situation it will be practically the same as leaving one business office to take up the same line of work in another.

F. H. B.

To the Student.

You are now entering upon an important work, although you may never be called upon to keep a set of books, the knowledge which you will obtain here in the Actual Business Department will be of great service to you throughout your entire life.

Your success here in school as a student will present a good criterion as to what your success will be in the future as a business man. We have found, by our long experience as teachers, that the careful, painstaking student becomes the careful and successful business man, while the "Go-as-you-please" and careless student invariably makes a failure when he enters the business world.

It is not the amount of work which you will pass over in a certain time, but how well you do it, that will mark your success in school, and in this connection we will mention several things which you must consider in order to succeed here.

Accuracy.

One of the most important things which must be taken into consideration in your bid for success is accuracy. Without it you cannot hope to succeed as a bookkeeper or business man. In the first place, do not make an error, but if you should be unlucky enough to make one, do not proceed further until it has been detected and rectified.

Penmanship.

In order to become a good bookkeeper you must also become a good penman. A poor penman cannot succeed in this line.

You will not be permitted to enter the Office Practice Department to work on the large books until your penmanship has reached a high standard of perfection. While completing the work on the outside of the exchange, you should take advantage of every opportunity offered to improve your handwriting, so that, by the time you have completed the several sets, you will be ready to enter the offices without loss of time.

Self Reliance.

Another important element to success here and hereafter is self-reliance. A man without self-reliance is like a ship without a rudder; he drifts here and there and is wholly dependent upon some other person in order to succeed at all.

The student will please remember this while at work on some future Trial Balance. Do not call upon your teacher to aid you until you have exhausted every ability you have to find it yourself.

Neatness.

Avoid blots and erasures; keep the pages clean so that they will always present a creditable appearance. Learn to keep a blotter under your hand while writing; it will then be always ready for use and will serve to keep the page free from contact with the hand.

System.

Above all things be systematic; have a place for everything, and keep everything in its place. It is the Systematic business man that succeeds.

Introduction.

Book-keeping.

Bookkeeping is the science of keeping accounts in a systematic manner. It is divided into Single and Double Entry.

Single Entry.

Single Entry is a method of keeping accounts, in which there is only one credit or one debit to a business transaction. Personal accounts are the only ones carried to the Ledger.

Double Entry.

Double Entry is a method of keeping accounts in which every transaction must show a debit and credit of equal amount.

This method is superior to Single Entry, inasmuch as it presents a better system for detection of errors.

Debit and Credit.

The terms Debit and Credit are used to designate the two sides of an account. The left hand side is for the debit items, while the right hand side is for credits.

Rules for Debit and Credit.

First Rule.

Debit what you receive and credit what you part with.

Second Rule.

Debit what costs value and credit what produces value.

Resources.

Resources are properties or values of any kind belonging to a business.

Liabilities.

Liabilities are debts owing by a business.

Solvency.

When a firm's Resources exceed its Liabilities it is said to be Solvent, and the difference between its Resources and Liabilities would show its Net Worth.

Insolvency.

When a firm's Liabilities exceed its Resources it is said to be Insolvent, and the difference between its Liabilities and Resources would show its Net Insolvency.

Profit and Loss.

Every firm actively engaged in business is constantly increasing or decreasing its Net Worth or Net Insolvency. This increase and decrease is termed Profit and Loss, or Loss and Gain.

Terms Used in Bookkeeping.

The terms most commonly used in Bookkeeping are Cash, Merchandise, Real Estate, Bills Receivable, Bills Payable, Interest, Discount, Fixtures and Expense.

Cash.

Cash is a term used to designate money. Bank Drafts, Sight Drafts, Checks, Money Orders or Express Orders are usually entered under this head.

Merchandise.

Merchandise is a term used to designate Goods of any kind stored for the purpose of trade. Under this head comes Groceries, Dry Goods, Clothing, Furniture, Hardware, Books and Stationery, Coal and Wood, Lumber and many other commodities in which business men are dealing.

Real Estate.

Real Estate is landed property and includes Farms, Houses and Lots, Mills, Factories, etc.

Bills Receivable.

A promissory note, signed by some other person or firm, which comes into your possession in the course of business, should be entered in your books as Bills Receivable.

Bills Payable.

A promissory note, signed by yourself and given out in the course of business, should be entered in your books as Bills Payable.

Interest and Discount.

Interest and Discount is the sum which we pay, or others pay us, for the use of money.

Fixtures.

Under this head is entered furniture of any kind purchased for use in the office or store. It cost value and may be sold and thus produce value.

Expense.

Expense is a term used to designate anything which costs value and for which we receive no real value in return. For instance, we pay out money for coal; the coal is burned in our furnace and gives us comfort, but does not produce us any value. Books and stationery for use in office would come under this head.

Books Used.

The number and forms of books used by different business firms are not always the same. Every set of books must be made to fill the requirements of the business in which it is used.

Principles the Same.

The principles of bookkeeping, however, always remain unchanged, so that a person having thoroughly mastered these and having accustomed himself to all the principal forms in use, can easily apply his knowledge so as to successfully keep any set.

Day Book.

Writing up a Day Book is practically writing up a history of all the transactions which have occurred during the day. It is very important that this history be absolutely correct, and no pains should be spared in order to make it so.

We present forms herewith, for writing up this book, and the student should carefully note just how each entry is made.

Journal.

The Journal is an intermediate book between the Day Book and Ledger. Its use is to simplify the Day Book entries in order to get them ready for Posting. It is considered by some bookkeepers as an unimportant book and is not used by many.

Ledger.

The Ledger is the most important book used. Into it are carried all the accounts of a business, which are arranged so as to show at any time their true standing in regard to the commercial world.

The form most commonly used is known as the Double Ledger, forms of which are shown on pages 71 to 80 of this book.

There are, however, as many as six other styles in general use, and it will be one of the purposes of the "Bliss System" to make the student acquainted with them all.

Balance Column Ledger.

Next to the Double Ledger, the Balance Column Ledger is coming into very common use. So extensive, in fact, is its use in every class of business house that no modern work on bookkeeping would be complete that did not give it a prominent place in its pages. As it is more easily comprehended by the beginner than the Double Ledger, we have decided to introduce it into the first forms shown in this book.

Preliminary Work.

The student will start at the Preliminary Work in the Guide, using the simple forms of Day Book, Journal and Balance Column Ledger. He should make up his mind at the start that "What is worth doing at all is worth doing well." This should be his motto from start to finish, as this kind of work is the only kind that will win in the end.

FORMS AND EXPLANATIONS

TO BE USED WITH

PRELIMINARY WORK.

Form for Day Book,	-	-	-	Pages 10, 11, 12, 13.
Form for Journal,	-	-	-	Pages 14, 15, 16.
Form for Ledger,	-	-	-	" 18, 19, 20.

190.....

(City, State and Date.)

Date.					
	A.				
✓	(Your name), began business this day with cash on hand,				2000
	B.				
✓	Bo't of O. M. Powers, 200 bu. Potatoes,	Cash. \$0.90			180
	C.				
✓	Sold C. A. Bliss, 100 bu. Potatoes,	Cash. .90			90
	D.				
✓	Bo't of E. J. Shaw & Co., 300 brls. W. Apples,	Cash. 2.60			780
	E.				
✓	Sold W. W. Phipps, 100 bu. Potatoes, 100 brls. W. Apples,	Cash. .90 3.00	90 300		390
	F.				
✓	Bo't of T. T. Wilson, 50 brls. Flour, 10 boxes Lemons,	Cash. 3.85 8.15	192 50 81 50		274
	G.				
✓	Bo't of H. C. Clark, 150 bu. Potatoes, 50 brls. Flour, 20 " W. Apples,	Cash. .70 3.80 2.50	105 190 50		345
	H.				
✓	Sold E. J. Shaw & Co., 100 brls. Flour, 100 " W. Apples,	Cash. 4.00 3.00	400 300		700
	I.				
✓	Sold O. M. Powers, 100 bu. Potatoes,	Cash. .90			90

190.....

(Date)

Date.						
	J.					
✓	Bo't of W. W. Phipps,	Cash.				
	40 brls. Flour,	\$3.93	157	20		
	100 bu. Potatoes,	.85	85			
	100 brls. W. Apples,	2.80	280			
	100 lbs. Butter,	.18	18		540	20
	K.					
✓	Bo't of H. C. Clark,	Cash.				
	50 doz. Eggs;	.16	8			
	20 boxes Lemons,	8.25	165		173	
	L.					
✓	Sold C. A. Bliss,	Cash.				
	40 brls. Flour,	\$4.00	160			
	50 bu. Potatoes,	.90	45			
	120 brls. W. Apples,	3.00	360		565	
	M.					
✓	Sold O. M. Powers,	Cash.				
	100 bu. Potatoes,	.90	90			
	50 lbs. Butter,	.21	10	50	100	50
	N.					
✓	Sold E. J. Shaw & Co.,	Cash.				
	50 doz. Eggs,	.14			7	
	A. Exercise No. 2.					
✓	Bo't of O. M. Powers,					
	100 brls. W. Apples,	\$3.00			300	
	Gave in payment my note at 10 days, int. at 7%.					
	B.					
✓	Sold C. A. Bliss,					
	50 brls. W. Apples,	\$3.00	150			
	20 boxes Lemons,	8.20	164		314	
	Rec'd in payment, his note at 10 days.					

190.....

(Date.)

Date.						
		C.				
✓	Bo't of O. M. Powers,					
	50 brls. Flour,	\$4.00	200			
	50 bu. Potatoes,	.90	45		245	
	Gave in payment my note, at 10 day, int. at 8%.					
		D.				
✓	Sold to H. C. Clark,	Cash.				
	50 bu. Potatoes,	.90	45			
	50 brls. W. Apples,	3.00	150		195	
		E.				
✓	Bo't of E. J. Shaw & Co.					
	250 doz. Eggs,	.14	35			
	60 boxes Lemons,	8.25	495			
	100 lbs. Butter,	.19	19		549	
	Gave in payment my note, at 10 days int. at 8%.					
		F.				
✓	Borrowed of W. W. Phipps on my note at					
	3 days Cash,				500	
		G.				
✓	Bo't of T. T. Wilson,	Cash.				
	250 bu. Potatoes,	.90	225			
	150 brls. Flour,	3.85	577	50	802	50
		H.				
✓	Sold H. C. Clark.					
	50 boxes Lemons,	8.20	410			
	150 doz. Eggs,	.14	21			
	50 lbs. Butter,	.21	10	50	441	50
	Rec'd in payment his note at 18 days.					

190.....

(Date.)

Date.

I.

✓	Bo't of C. A. Bliss.			
	100 brls. Flour,	\$3.90	390	
	150 brls. W. Apples,	2.70	405	795
	Gave in payment my note at 10 days.			

J.

✓	Sold H. C. Clark.			
	150 brls. Flour,	4.00	600	
	250 bu. Potatoes,	.90	225	
	100 brls. W. Apples,	3.00	300	1125
	Rec'd in payment his note, at 10 days			
	int. at 8%.			

K.

✓	Bo't of T. T. Wilson.			
	250 doz. Eggs,	.17	42 50	
	50 boxes Lemons,	8.15	407 50	
	150 lbs. Butter,	.20	30	480
	Gave in payment my note at 12 days.			

L.

✓	Paid W. W. Phipps cash for my note,			500
---	-------------------------------------	--	--	-----

M.

✓	Exchanged notes with E. J. Shaw for accom-			
	modation, each drawn for 3 days with-			
	out interest.			200

(City, State and Date.)

Date.	Page of Ledger	Debits.	Credits.	Debit.	Credit.
	18	Cash,		2000	
	18		(Your name.)		2000
	19	Mdse.,		180	
	18		Cash,		180
	18	Cash,		90	
	19		Mdse.,		90
	19	Mdse.,		780	
	18		Cash,		780
	18	Cash,		390	
	19		Mdse.,		390
	19	Mdse.,		274	
	18		Cash,		274
	19	Mdse.,		345	
	18		Cash,		345
	18	Cash,		700	
	19		Mdse.,		700
	18	Cash,		90	
	19		Mdse.,		90
	19	Mdse.,		540 20	
	18		Cash,		540 20

(Date.)

Date.	Page of Ledger.	Debits.	Credits.	Debit.	Credit.
	19	Mdse.,		173	
	18		Cash,		173
	18	Cash,		565	
	19		Mdse.,		565
	18	Cash,		100 50	
	19		Mdse.,		100 50
	18	Cash,		7	
	19		Mdse.,		7
	19	Mdse.,		300	
	20		Bills Pay.,		300
	20	Bills Rec.,		314	
	19		Mdse.,		314
	19	Mdse.,		245	
	20		Bills Pay.,		245
	18	Cash,		195	
	19		Mdse.,		195
	19	Mdse.,		549	
	20		Bills Pay.,		549
	18	Cash,		500	
	20		Bills Pay.,		500

190.....

(Date.)

Date.	Page of Ledger.	Debits.	Credits.	Debit.	Credit.
	19	Mdse.,		802 50	
	18		Cash,		802 50
	20	Bills Rec.,		441 50	
	19		Mdse.,		441 50
	19	Mdse.,		795	
	20		Bills Pay.,		795
	20	Bills Rec.,		1125	
	19		Mdse.,		1125
	19	Mdse.,		480	
	20		Bills Pay.,		480
	20	Bills Pay.,		500	
	18		Cash,		500
	20	Bills Rec.,		200	
	20		Bills Pay.,		200

Preliminary Explanations.

Journalizing.

Carrying entries from the Day Book to the Journal is called Journalizing. As soon as an item has been journalized, a check mark (✓) should be placed opposite the Day Book entry to show that it has been entered.

Directions for Journalizing.

Journalizing must not be looked upon as a difficult task, for, if the student proceeds in the right manner, nothing is easier.

The best rule for the beginner to follow is the one that tells him to debit what he receives and credit what he parts with. Every student in the Actual Business Department knows that when he went to the office of O. M. Powers and made his first purchase of merchandise, for which he paid cash, he received the merchandise and parted with the cash. Therefore, in this transaction, the item to be debited in the Journal is Mdse., and the one to be credited is Cash. The only thing that now remains to be explained is the position which they will occupy in the Journal in relation to each other. It will be seen, by referring to the Journal Form, that the debit item is written first, with the amount in the first money or debit column, while the credit item is written on the next line below, with the figures in the second money or credit column.

Journalizing the Investment.

The student may not be able to understand clearly why the Journal entry for the investment in business is made as it is. In explanation we will state that the business received the cash, which would make it a debit item. The proprietor (your name) invested the money, and by so doing produced the value. By referring to the second rule for debit and credit, on page 6, the student will understand why the proprietor's name should be the credit item.

Posting.

Carrying entries from the Journal to the Ledger is called Posting. As soon as all the transactions in an exercise have been completed, and a history of them written in the Day Book, they should be Journalized and Posted.

Opening Accounts.

Just above the red head-line on each page in your Ledger can be seen a blue line, which at first thought may be considered as of little importance. This line, however, is there for a purpose, for on it should be written the names of the accounts which you are about to open. Writing the names of these accounts is called writing "Ledger Headings." They should be written in a bold, free hand, entirely without flourish or ornamentation of any kind. Ledger Headings should not be abbreviated, except in personal accounts. In writing the headings for personal accounts, always be guided by the manner in which the person himself signs his name. Thus, if a certain Mr. Smith signs his correspondence John A. Smith, do not write it in your books J. A. Smith, instead.

Date.

I4

Credit.

Balance

2000

2000

CASH.

I4

2000

I4

180

I4

90

I4

780

14

390

14

274

I 4

345

I4

700

14

90

14

540 20

15

173

15

565

15

100 50

15

7

1650 | 30

15

195

15

500

16

802 50

16

500

1042 180

180.....

MERCHANDISE.

Date.	Page of Journ'l	Debit.	Credit.	Balance.
	14	180		
	14		90	
	14	780		
	14		390	
	14	274		
	14	345		
	14		700	
	14		90	
	14	540 20		
	15	173		
	15		565	
	15		100 50	
	15		7	349 70
	15	300		
	15		314	
	15	245		
	15		195	
	15	549		
	16	802 50		
	16		441 50	
	16	795		
	16		1125	
	16	480		1445 70

190.....

BILLS RECEIVABLE.

Date.	Page of Journ'l	Debit.	Credit.	Balance.
	15	314		
	16	441	50	
	16	1125		
	16	200		2080 50

BILLS PAYABLE.

15		300	
15		245	
15		549	
15		500	
16		795	
16		480	
16		500	
16			200
			2569

The name of the Ledger Heading must always be determined by the name of the account in the Journal entry from which it is taken. Thus, the Journal entry

Cash,	90	
		Mdse., 90

will call for the Ledger Heading "Cash," and another for "Merchandise," while the Journal entry

		Mdse., 300
	Bills Pay.,	300

will indicate that still another heading must be opened for "Bills Payable." In this manner the student will open a new account in the Ledger every time a new one is mentioned in the Journal.

Directions for Posting to the Balance Column Ledger.

The first entry which you have in your Journal is:

Cash,	2000	
		(Your name) 2000

Cash is the debit item, while (Your name) is the credit item. After writing the date in the columns provided for that purpose, enter the figures, 2000, in the left hand or debit money column under the Cash account.

Again you will write the same figures in the second or credit money column under the (Your name) account.

It will now be seen that you have a debit and a credit of equal amount in the Ledger as far as you have gone.

The second Journal entry reads:

Mdse.,	180	
		Cash, 180

In the above entry Mdse. is the debit item, while Cash is the credit item. The figures 180 opposite the word Mdse., in the Journal, will be entered in the first money column under the Merchandise account, while the 180 opposite the word Cash should be placed in the second money column under the Cash account, again giving a debit and credit of equal amount in the Ledger.

After posting all of the Journal entries in Exercise No. 1, as directed above, you will add both the debit and credit columns of the Cash account. Subtract the footing of the credit column from the footing of the debit column and enter the difference in the third or balance column, directly opposite the last item posted. Treat the Merchandise account in the same manner.

If the footing of the debit column is larger than the footing of the credit column, the difference should be entered in the balance column with black ink, but if the credit footing should prove to be the larger, the difference should be entered with red ink.

In the (Your name) account it will be seen that the Credit column is \$2000 larger than the Debit column; therefore, this amount should be entered in the Balance column with red ink.

Folio Column.

Immediately to the right of the Date columns in the Journal and Balance Column Ledger is a narrow space known as the Folio Column. As soon as an item is posted, the page of the Ledger to which the item was carried, should be placed in the Folio column opposite the item which was posted.

On the other hand, the page of the Journal from which the item was carried should be placed in the Folio column, opposite that item in the Ledger.

Trial Balance.

Having carried all the balances of the three accounts into the Balance column, we are ready to take off our first Trial Balance. We will expect the student to do his own ruling, and with that end in view, we present below a form for same, the ruling of which the student should imitate as nearly as possible.

Trial Balance, Exercise No. 1.

	Page of Ledger	(Names of accounts.)	Dr.		Cr.
	18	(Your name)			2000
	18	Cash,	1650	30	
	19	Mdse.,	349	70	
			2000		2000

Referring to the Ledger, it will be seen that (Your name) account has a red ink or credit balance of \$2000. Write your name in the space provided for "Names of Accounts," with the balance in the left hand or Credit column of the Trial Balance.

The Cash account in the Ledger shows a Black ink or Debit balance of, \$1650.30. Write the word Cash under your name with the figures, \$1650.30, in the left hand or Debit column.

The Merchandise account shows a black ink or Debit balance of \$349.70. Write the account Mdse. under the account Cash and the figures \$349.70 under the figures \$1650.30 in the Debit column.

Now add the Debit column and bring down the \$2000 in the Credit column; if these footings agree you have your Trial Balance, which is a good proof that your work thus far is correct.

Having now completed Exercise No. 1, you will transact the business as ordered in the Guide under

Exercise No. 2.

Here, for the first time in this department, you will be called upon to write a Promissory Note. In order that you may know just what this is, we give the following

Definition for Promissory Note.

A Promissory Note is a written promise to pay a certain amount of money at some future time, usually so many days or months after date.

Bills Receivable and Bills Payable.

As stated in the introduction, a Promissory Note which you receive is entered in the Journal as Bills Receivable, while a note signed by yourself and given out in the course of business is entered as Bills Payable. In Exercise No. 2 you will give out and receive several Promissory Notes, so that the terms Bills Rec. and Bills Pay. will occur very often. In the Ledger two new accounts will be opened with the above terms for headings.

When the last item in Exercise No. 2 has been posted the student will prepare to take off another Trial Balance.

In the Cash account the balance from Exercise No. 1 should be added in with the new debit items, after which the footings of the new credit items will be subtracted and the balance carried into the balance column as before.

The Merchandise account will be treated in the same manner. In the Bills Receivable account the debit items will be added and carried into the balance column.

In the Bills Payable account the credit items will be added and the debit item subtracted and the difference carried into the balance column with red ink, this being another instance of the credit side being larger.

You are now ready to take off a second Trial Balance. This Trial Balance will require two more lines than the first, in order to accommodate the two new accounts. It should be ruled as follows:

Trial Balance, Exercise No. 2.

18	(Your name),			2000
18	Cash,	1042	80	
19	Mdse.,	1445	70	
20	Bills Rec.,	2080	50	
20	Bills Pay.,			2569
		4569		4569

In the above manner a Trial Balance should be taken at the end of each Exercise.

Billing.

Almost the first thing which a student will be called upon to do, after the beginning his actual business work, will be to make out a bill. It is very important that the student learn to do his billing in a correct manner from the start, as this will enter into his work very largely all through his course.

Form No. 1. City, State and Date 19__

Mr. C. A. Bliss,

To (Your name) Dr.

Terms Cash

100 bu. Potatoes	90¢	90 ~
Received payment (Your name)		

Form No. 2. City, State and Date 19__

Mr. C. A. Bliss

To (Your name) Dr.

Terms _____

50 bbls. Flour	\$4 ⁰⁰	200 ~	
100 " Winter Apples	3 ⁰⁰	300 ~	500 ~
By 10¢ Note at 8%		350 ~	
" Cash		150 ~	500 ~
(Your name)			

Form No. 3. City, State and Date 19__

Mr. T. T. Wilson,

To (Your name) Dr.

Terms _____

40 boxes Lemons	\$ 8 ²⁰	328 ~	
150 lbs. Butter	214	31 50	359 50
By Cash			200 ~
Balance			159 50

Form No. 4. City, State and Date 19__

Messrs. E. J. Shaw & Co.

To (Your name) Dr.

Terms _____

50 brls Flour	\$ 4 ⁰⁰	200 ~	
150 bu Potatoes	90 ⁰⁰	135 ~	
75 brls Winter Apples	3 ⁰⁰	225 ~	560 ~
By 60. Note at 87		200 ~	
" Cash		200 ~	400 ~
Balance			160 ~

When you sell goods, you will mail, or hand to your customer, an itemized bill of same. This bill will become the purchaser's Invoice. On the other hand, when you purchase goods and receive a bill it will become your Invoice.

You should always figure through every Invoice and make sure that all items mentioned have been entered correctly. If an error is found, notify the firm from whom you made the purchase at once, and request a new Invoice.

The ruling for a bill is the same as in an ordinary Day Book or Journal, with two money columns at the right, and date columns at the left.

Some forms are provided with an extra column next to the date columns for the number of articles sold in each transaction. When no extra column has been provided, we prefer to place these next to the date column, as shown in our forms.

Forms for Bills.

On pages 24 and 25 we present four forms for Bills, which should be carefully followed by the student here in the Actual Business Department.

When a student sells on account, or receives in payment one thing, as Cash or a Promissory Note, he should follow Form No. 1.

When he receives two or more things in full payment, he should follow Form No. 2.

When he receives in payment one thing which still leaves a balance on account, he should follow Form No. 3.

When he receives two or more things and still has a balance on account, he should follow Form No. 4.

Size of Bills.

Merchants use different lengths of Bills, according to the number of items which they wish to enter on same. Bills are generally cut from a sheet of paper 14 x 17 inches in size. When two are cut from a sheet they are called halves; when four are cut from a sheet, fourths, and when six are cut from a sheet, sixths. Special sizes are sometimes cut.

Statements.

At the end of each set, or oftener if the teacher desires, the student should render each office a Statement, showing just how his account stands with each firm up to date. This statement should be made out on a half-sheet bill form, or, if this is not to be had, a half-sheet of foolscap paper, ruled by yourself, will answer the purpose.

You will first enter in the first column of the Statement all of the Debits, whether in Merchandise, Cash or Notes. Foot these and carry same into the second column, then enter in the same column all credits and bring the footing into the second column as before.

Your Statement for the office of O. M. Powers should have the appearance of the following, if rendered at the end of the preliminary work. These statements should be rendered before beginning the transactions in the next set.

STATEMENT.

City, State and Date 19__

Mr. O. M. Powers,

To (Your name) Dr.

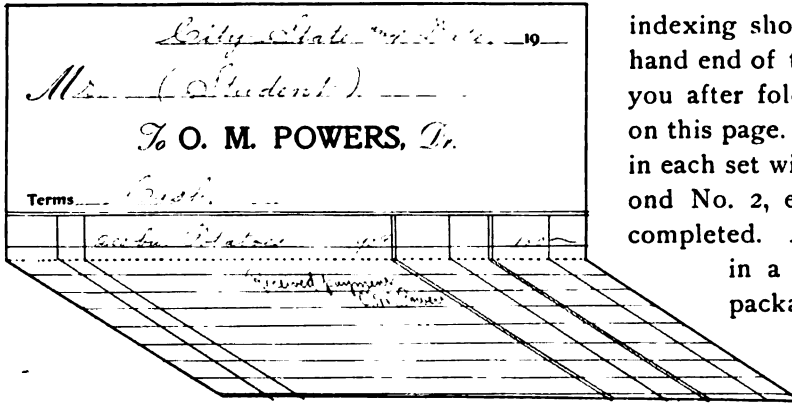
Terms

Date	Dr		
B 4	Check	400 ~	
N 5	6 d Note at 6%.	250 ~	
A 6	Draft on N. C. Clark.	400 ~	
N 6	" " "	39 ~	
N 8	Mdse	440 ~	
A 9	10 d. Note	650 ~	
A 9	Cash	200 ~	
J 9	Draft on N. C. Clark.	74 ~	
B 10	Mdse.	1635 ~	4094 ~
	Cr.		
B 5	Mdse.	299 ~	
N 5	"	790 ~	
A 9	"	1370 ~	
B 10	30 d. Note	750 ~	3209 ~
	Balance due		885 ~

We have taken the liberty to
make sight draft on you in favor of
E. J. Shaw & Co. for the above balance due.
Please honor and oblige.
(Your name)

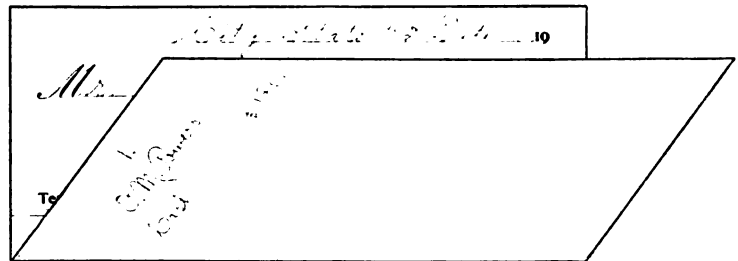
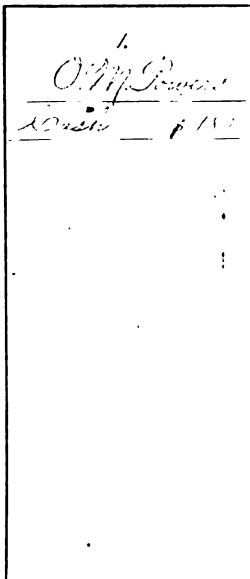
Filing Invoices and Statements.

The student should retain every Invoice or Statement received in each set until that set is finished. There are many devices in use for this purpose, and as you advance in your work several of the most important ones will be brought to your notice. We will mention a simple plan for keeping your Invoices in a systematic manner. The bill forms which we use most in the Actual Business Department are small size "fourths." When an Invoice of this size is received and entered in your Day Book, it should be folded once, by bringing the bottom edge up even with the top edge, with the corners exactly together, after which it will be pressed down, forming a neat crease in the center. After folding the Invoice it should be



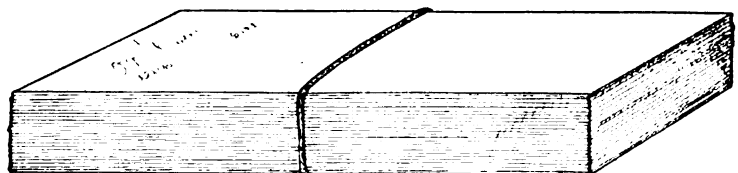
indexed and made ready for filing. The indexing should be done across the left-hand end of the Invoice as it lies before you after folding, as shown in the forms on this page. The first Invoice received in each set will be indexed No. 1, the second No. 2, etc., until the set has been completed. All of the Invoices received in a set should be made into a package, with No. 1 on top, followed by all the other numbers in their order, until the package is complete.

The student will then be enabled to turn to any Invoice almost instantly, thus greatly facilitating his work. A rubber band will serve to hold them together while the package is being made up. An Invoice or Statement, half-sheet size, will require two folds instead of one in order to bring it to the proper width. We have said that system is one of the necessary elements to success. Let your system begin here; always have your Invoices and Statements in shape so that you can find any one of them instantly when called for.



Invoice Book.

Later on we will take up and make a practical application of the Invoice Book. In this are pasted all Invoices as they are received, instead of filing as directed above.



Package Complete.

How to Do Business with a Bank.

Bank.

A Bank is an institution which loans money on securities and receives money on deposit, for which it sometimes pays interest.

Advantage of a Bank to a Community.

The advantage of a Bank to a community is very great. A banker receives many sums of money for deposit which would otherwise lie idle, and loans it to persons or firms engaged in business, at a reasonable rate of interest. Thus the depositor finds a safe place for his money, the banker is paid for handling the same, and the borrower's business is greatly facilitated through its use.

Opening an Account.

Many of the large city banks do not care to open an account with firms whose average balance for the month does not


equal or exceed \$500. A majority of the banks, however, will handle an account of a much less average balance, providing the depositor has a good moral and financial standing.

How to Deposit.

If you wish to open an account with a bank in some city where you are unknown to the business community, it is always advisable to secure a proper introduction to the bank officials before making the first deposit. After receiving the consent of the proper officials to open an account with them, you will be asked to write your name in the Signature Book, after which you will be provided with deposit slips, a bank pass book and a check book. First, date the deposit slip and fill in your name. Opposite the word Currency you will enter the amount of bills, and in the column provided for checks you will enter each check in detail. If the check is drawn on some other city bank, write the name of the bank, or if on some out of town bank, the name of the city should be written at the left of the figures.

First National College Bank.			
(City and State) 189			
DEPOSITED BY			
(Student)			
ENTER EACH CHECK SEPARATELY			
Currency.		1200	
Checks.			

First National College Bank.			
(City and State) 189			
DEPOSITED BY			
(Student)			
ENTER EACH CHECK SEPARATELY			
Currency.		1300	
Checks.	245		
	200		
		445	
		1745	

		<i>City, State and Date</i> 19__	
<h2 style="margin: 0;">College National Bank,</h2>			
Pay to the order of <i>J. M. Powers</i>		DOLLARS. <i>Four Hundred</i>	
No. <i>1.</i>		(<i>Your name</i>)	

Date _____ 19__	Am't bro't forward,	Deposited	Forward,
		<i>J. M. Powers</i>	
		<i>Indes.</i>	
			No. <i>1.</i>

The Receiving Teller will enter the amount of your deposit on the left-hand page of your bank pass book and hand same back to you. You will be asked to hand in your pass book at the end of each month to be balanced. *When it is returned to you it will contain all of the checks which you have given during the month, all canceled and filed in proper order.

Paying by Check.

It is a good idea to pay all bills by check, as by so doing you will have the best kind of a record of the business transaction and the payment of same.

As we have already said, the canceled checks or "vouchers" are returned to you at the end of each month. These will bear the indorsement of the person paid, with the date and the amount of the payment. All canceled checks should be carefully filed away for future reference, as they are receipts for money paid.

Your personal check should not be sent a long distance in payment of a bill. If you wish to remit money, draw your check for a Bank Draft and remit it instead. It is always preferable to draw your check payable "to order" instead of "to bearer," as by so doing it cannot be collected without the indorsement of the payee and insures you against loss if the check should be stolen. If a "voucher" is not indorsed it will be of no value to you as a receipt. Never indorse a check which you hold against another party until you are ready to dispose of it by deposit or otherwise.

Stub Account.

(See forms on pages 30 and 91).

All well-arranged Check Books are provided with a money column between the check proper and its stub. When a deposit is made the figures should be written in the column opposite the printed word "Deposited." When the first check is drawn the amount should be placed in this column under the Deposit figures, after which the difference should be found and brought down. In books containing but one check and stub to the page this difference should be carried to the money column of the next stub and placed opposite the printed words "Am't bro't forward."

*In the Actual Business Department the Pass Book should be handed in to be balanced every Friday afternoon.

The name of the payee and the purpose for which the check was given should also be written on the stub, thus providing a brief history of the transaction. When your pass book is handed in to be balanced, the bank will enter on the right-hand page, in their regular order, the amount of every check drawn by you during the month. The figures should be checked over and carefully compared with the figures on the stubs in order to detect any errors which might exist in either place.

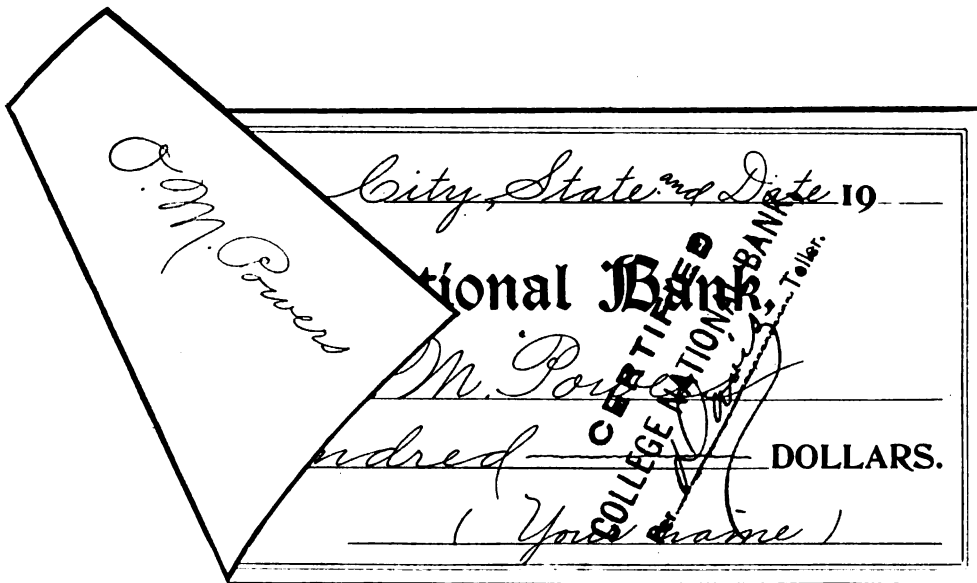
If all checks issued have been presented at the bank and payment made on same, the balance shown in the pass-book should agree with the balance on the stub account. If it should not, the cause of difference between the two should be found and the error rectified at once.

Drawing Cash on Your Own Check.

When you wish to draw money from the bank on your own check, make the check payable to the order of "Cash." If you make it to the order of "your name," or "myself," you will be required to indorse it.

Indorsement.

A check or a note should always be indorsed across the back of the left-hand end, so that when the bank clerk turns it over to see the indorsement it will always be right side up and at the top. If indorsed across the other end it would have to be turned half-way round before he could read it.



Certified Check.

Never present your personal check in payment of a note coming due at any bank not your own, unless you first have the check "Certified." A bank will not give up a note until payment has been made in a satisfactory manner, and your check before being certified would not be satisfactory, as they have no way of knowing whether you have funds in the bank to cover the check. If you present a certified check in payment they will give up your note without hesitation. As soon as you get your check certified the bank will deduct the amount from your account.

Questions for Examination and Class Review.

1. What is Bookkeeping? 2. How many and what methods are now in use? 3. Define Single Entry. 4. Define Double Entry. 5. Which of these two methods are preferable?
6. Define Debit and Credit. 7. Give two rules for Debit and Credit. 8. What are Resources? 9. What are Liabilities? 10. Define Solvency. 11. Define Insolvency.
12. What are we to understand by Profit & Loss, or Loss & Gain? 13. What are some of the principal terms used in bookkeeping? 14. Define Cash. 15. Define Merchandise.
16. Define Real Estate. 17. What are Bills Receivable? 18. What are Bills Payable? 19. Define Interest and Discount. 20. What are Fixtures? 21. What is Expense?
22. Name three principal books used in bookkeeping. 23. Define Day Book. 24. What is a Journal? 25. For what purpose is the Ledger used? 26. What is a Balance Column Ledger? 27. In journalizing, what do you debit and what do you credit? 28. When you sell Merchandise, what do you generally give with same? 29. When you sell one item of Merchandise, are the figures placed in the first or second column of the bill? 30. How is the bill made out, when it contains two or more items of merchandise? 31. What does the bill become to the purchaser? 32. Is there any necessity of being neat and accurate in making out a bill for the sale of goods? 33. What is an Inventory? 34. What is a Promissory Note?
35. When you receive another person's note, what do you debit? 36. When you dispose of another person's note, what do you credit? 37. When you give your own note, what do you credit? 38. When you pay your note in part or in full, what do you debit? 39. What is meant by indorsing a note? 40. What are days of Grace? 41. Are days of Grace allowed in every State? 42. Are days of Grace allowed in this State? 43. When you receive or dispose of more than one thing, how do you make the Journal entry? 44. What is a Bank? 45. Of what advantage to a community is a Bank? 46. Are all Banks willing to take deposits, either large or small? 47. As a rule, do Bank officials care to know anything about you, before taking your deposit? 48. What is a Signature Book? 49. What is a Deposit Slip? 50. What do you understand by a Bank Account? 51. Do all bookkeepers keep a bank account in their Ledgers? 52. If not, how does he keep an account of his deposits and withdrawals? 53. What is a Check Book? 54. What is a Bank Pass-Book? 55. On which side of the Pass-Book does the Receiving Teller enter the deposits? 56. How often should this book be handed in to be balanced? 57. How is it balanced? 58. When your Pass-Book is returned to you after balancing, what is also returned with it? 59. What is a Check? 60. When you fill out a deposit slip should the total of all the checks, deposited, be entered in one amount, or should each check be entered separately? 61. When you wish to draw money from the bank on your personal check, how should the check be drawn? 62. What is an Indorsement? 63. Where should a check or note be indorsed? 64. What is a Certified Check? 65. Why should a check sometimes be certified? 66. When you receive a check, what do you debit? 67. When you draw a check, what do you credit? 68. When you deposit money in the bank, what do you debit? 69. When you sell merchandise on account, what entry? 70. When you purchase merchandise on account, what entry? 71. What is Interest? 72. When you pay cash for interest, what entry? 73. When you receive cash for interest, what entry?

(Continued on page 50.)

FORMS TO BE USED
WITH
SET No. 1.

GROCERY PRICE - LIST.

	No. 1.	No. 2.	No. 3.	No. 4.	No. 5.	No. 6.
Flour,	\$4.00	\$3.80	\$3.90	\$3.85	\$3.95	\$3.93
N. O. Sugar,	12.00	11.50	11.70	11.55	11.90	11.95
Winter Apples,	3.00	2.50	2.70	2.90	2.60	2.80
Potatoes,	.90	.70	.75	.90	.80	.85
Boston Crackers,	1.80	1.50	1.65	1.60	1.85	1.75
Rio Coffee,	.28	.25	.24	.26	.28	.27
Cider Vinegar,	.20	.18	.19	.18½	.21	.18
German Soap,	.08	.07	.06½	.07½	.08	.08½
Sperm Candles,	.28	.25	.26	.27	.29	.24
Butter,	.21	.19	.18	.20	.19	.18
Eggs,	.14	.16	.15	.17	.14	.16
Lemons,	8.20	8.25	8.30	8.15	8.25	8.23

Day-Book Journal.

Among several labor-saving books which have come into recent use, the Day Book Journal occupies an important place. It is, as its name implies, a combination of the Day Book and Journal. In this book the Journal entries are arranged the same as in an ordinary Journal, but the Day Book entries are greatly simplified through being used as an explanation to the Journal entries.

Bookkeepers using this book should number each invoice and file the same for future reference. As the Day Book entries need only contain a reference to the number of the invoice, it will not be necessary to itemize the purchase. Unless some other record be kept, all sales should be itemized, but the entire entry should be made as brief as possible. The Journal entry should occupy about one-third of the space between the ruled lines, while the Day Book entries should occupy about two-thirds of the space. The Day Book and Journal entries should be separated by a ruled line.

Business men, in order that they may become fully acquainted with the true condition of the business in which they are engaged, annually take an account of stock, close the Ledger, and render a statement showing the exact condition of the business, with its gains or losses, during the preceding year. Sometimes this occurs oftener than once a year, but generally where business is extensive, the labor involved in taking an inventory will not permit the closing of the Ledger oftener than once a year.

Closing the Ledger.

In order that the student may become fully acquainted with the process, this work will direct him to close his Ledger in the future at the end of every fifth day's work. In addition to this, he will be directed to close his Ledger at the end of the second day of each set, in order that he may be able to compare his work with forms herein presented.

Directions.

At the close of the second day's work, after you have drawn off and filed your Trial Balance, you may take an Account of Stock. Figure the Merchandise which you have on hand at Price List No. 1. Now turn to your Merchandise Account, and with red ink credit it with the Merchandise which you have on hand, as follows: By Inv., placing the figures in the credit column. If, before making this credit, your merchandise account shows a black balance, and your inventory is greater than this balance, the difference will show your exact gain on goods bought and sold to date. On the other hand, if your inventory should prove to be less than the balance, the difference will show just how much you have lost in buying and selling goods to date. If you find that your transactions have netted you a gain, you may close the account with red ink, as follows: To Loss & Gain, placing the figures denoting the gain in the debit column, and a check mark (✓) in the balance column. If you have lost, the account will be closed as follows: By Loss & Gain, with the figures in the credit column, and a check mark in the balance column. Now open an account on another page with Loss & Gain. If your merchandise account has netted you a gain, credit Loss & Gain with that as follows: By Mdse.

If your merchandise account shows a loss, debit Loss & Gain with that loss as follows: To Mdse., for Loss & Gain account is credited with all gains and debited with all losses. Now turn to the other Loss & Gain accounts, such as Expense, Interest and Discount, and close them in nearly the same manner as you did the merchandise. Remember that any of these accounts showing a red ink balance is a gain to the business, while any showing a black ink balance is a loss to the business. If a red ink balance is shown, close the account, To Loss & Gain, and credit Loss & Gain account with the same. If a black ink balance is shown, close the account, By Loss & Gain, and debit Loss & Gain account with same. After all of your loss and gain accounts have been closed and carried to Loss & Gain, you can ascertain your exact gain or loss for the two days' business by bringing down the balance in the Loss and Gain account, the same as in any other account. If the last balance is in red ink, this will show you the exact net gain, while if the balance should be in black ink, this will show you the net loss. In other words, if the credit side of Loss & Gain is larger than the debit side, you have a gain, while if the debit side be larger, you have a loss. If your Loss & Gain shows a gain, you may, with red ink, close same as follows: To (your name), placing a check mark in the balance column. Now turn to your account and credit the same with the net gain. After adding the gain to your capital at beginning, the last balance in your account will show the exact value of the business at the present time.

Remember that all accounts which have been closed "By Inventory" should now be opened with black ink "To Inventory," with the same figures used in closing. You now have your Ledger closed, but before proceeding with the next day's work it will be necessary for you to take off a

Statement of Resources and Liabilities,

showing the exact condition of your business. This can be done by referring to the form on page 46. We present on that page a very simple form which practically answers the same purpose of the more complicated forms known as the Balance Sheet, shown on pages 81, 108, and 109. It will be seen, by referring to the form on page 46, that all accounts for which you expect to pay out money are placed under a heading called Liabilities. It will also be seen that no loss or gain accounts are included among the Resources and Liabilities, while the Inventory of Merchandise is substituted instead of the last balance in the merchandise account. The difference between the Resources and Liabilities will show your gain or loss, which should be written below, as shown in the form, with red ink, "Net Gain" or "Net Loss." If your gain or loss in the statement agrees with the gain or loss in the Loss & Gain account, you have the best proof that your work to date is correct.

DAY BOOK-JOURNAL.

(City, State and Date.)

*Date.		Page of Ledger					
A	I	42	Cash,	Investment,	4500		
		42	(Your name),				4500
B	I	42	College Bank,	Deposited,	2500		
		42	Cash,				2500
C	I	45	Expense,	Rent of store, 1 mo.,	50		
		42	College Bk.,				50
D	I	43	Mdse.,	Invoice No. 1, O. M. Powers,	200		
		42	Cash,				200
E	I	43	Mdse.,	Invoice No. 2, W. W. Phipps,	206	65	
			College Bk.,				206 65
F	I	44	T. T. Wilson,	On account,	80		
		43	Mdse.,	20 brls. Flour, \$4.00			80
G	I	43	Bills Rec.,	6 d. Note,	36		
		43	Mdse.,	3 brls. N. O. Sugar, \$12.00			36
				Sold to H. C. Clark,			
H	I	43	Mdse.,	Inv. No. 3,	520		
		44	E. J. Shaw & Co.,	On account,			520

*As the student will use current dates, we have omitted all dates from this Book of Forms, and have entered in the date column instead, the Letter and Day of each transaction as taken from the Guide.

(Date.)

Date.	Page of Ledger				
I	I	43	Mdse.,	Inv. No. 4, C. A. Bliss,	150
		43	Bills Rec.,	6 d. Note,	150
		43	Mdse.,	100 brls. W. Apples, \$3.00	300
J	I	44	O. M. Powers,	On account,	126 60
		43	Mdse.,	3 sks. Rio Coffee, 420 lbs. .28	126 60
				5 bxs. B. Crackers, \$1.80	
K	I	43	Bills Rec.,	7 d. Note,	150
		43	Mdse.,	50 brls. W. Apples, \$3.00	150
				Sold to T. T. Wilson.	
L	I	42	Cash,		40
			T. T. Wilson,	On account,	40
A	2	44	E. J. Shaw & Co.,	On account,	250
		42	College Bk.,		250
B	2	44	E. J. Shaw & Co.,	Sight Draft,	40
			T. T. Wilson,	On account,	40
C	2	42	College Bk.,	Deposited,	455
		42	Cash,		455
D	2	43	Mdse.,	Inv. No. 5,	373 44
		43	Bills Pay.,	3 d. Note,	130
		42	Cash,		50
			C. A. Bliss,	On account,	193 44

(Date.)

Date.	Page of Ledger					
E	2	44	H. C. Clark,	On account,	316	69
		43	Mdse.,	10 brls. Flour, \$4.00		316 69
				50 " W. Apples. 3.00		
				3 " C.Vingr., 90 gal. .20		
				89 lbs. Butter, .21		
				100 bu. Potatoes, .90		
F	2	42	Cash,	Proceeds of Draft,	198	
		45	Discount,	1% of Face Value,	2	
		44	H. C. Clark.	On account,		200
G	2	43	Bills Rec.,	6 d. Note,	40	
		42	Cash.		29	43
		43	Mdse..	50 bu. Potatoes, \$0.90		69 43
				41 doz. Eggs, .14		
				89 lbs. Butter, .21		
				Sold to O. M. Powers.		
H	2	42	College Bk.,	Deposited,	325	
		42	Cash,			325
I	2	44	W. W. Phipps,	On account,	20	26
		43	Mdse.,	2 brls. C.Vingr., 60 gal., \$0.20		20 26
				59 doz. Eggs, .14		
J	2	42	Cash,		50	
		43	Bills Rec.,	10 d. Note,	66	69
			H. C. Clark,	On account,		116 69
K	2	45	C. A. Bliss,	On account,	120	
		42	College Bk.,			120

LEDGER.

NOTE.—In this Balance Column Ledger, we have extended each balance as is the custom in houses using this style of book. The advantage of this method lies in the facility with which the bookkeeper can ascertain the size of a customer's account when for certain reasons it is desirable to know the same quickly.

(YOUR NAME)

190.....

*Date.		Page of Journal.							
A	1	38						4500	4500
L	2	45		By Loss and Gain,				73 49	4573 49
<hr/>									
CASH.									
A	1	38			4500				4500
B	1	38					2500		2000
D	1	38					200		1800
L	1	39			40				1840
C	2	39					455		1385
D	2	39					50		1335
F	2	40			198				1533
G	2	40			29 43				1562 43
H	2	40					325		1237 43
J	2	40			50				1287 43
<hr/>									
COLLEGE BANK.									
B	1	38			2500				2500
C	1	38					50		2450
E	1	38					206 65		2243 35
A	2	39					250		1993 35
C	2	39			455				2448 35
H	2	40			325				2773 35
K	2	40					120		2653 35

*See foot note on page 38.

MERCHANDISE.

19.....

Date.	Page of Journal			
D	I	38	200	200
E	I	38	206 65	406 65
F	I	38		326 65
G	I	38		290 65
H	I	38		810 65
I	I	39		960 65
I	I	39		660 65
J	I	39		534 05
K	I	39		384 05
D	2	39		757 49
E	2	40		440 80
G	2	40		371 37
I	2	40		351 11
L	2	✓		125 49
"	2	45		✓
"	2	✓		476 60

BILLS RECEIVABLE.

G	1	38	36	36
I	1	39	150	186
K	1	39	150	336
G	2	40	40	376
J	2	40	66 69	442 69

BILLS PAYABLE.

D	2	39	130	130
---	---	----	-----	-----

19.....

O. M. POWERS.

Date.								
J	I	39				126	60	126 60
H. C. CLARK.								
E	2	40				316	69	316 69
F	2	40						200 116 69
J	2	40						116 69 ✓
E. J. SHAW & CO.								
H	I	38						520 520
A	2	39				250		270
B	2	39				40		230
T. T. WILSON.								
F	I	38				80		80
L	I	39						40 40
B	2	39						40 ✓
W. W. PHIPPS.								
I	2	40				20	26	20 26

C. A. BLISS.

19

Date.

D 2 39

K 2 40

120

193 44

193 44'

73 44

EXPENSE.

C 1 38

L 2 45

50

By Loss & Gain.

50

50

✓

DISCOUNT.

F 2 40

L 2 45

2

By Loss & Gain.

2

2

✓

LOSS AND GAIN.

L 2 43

" " 45

" " 45

" " 42

By Mdse.

To Expense,

" Discount,

" (your name)

50

2

73 49

125 49

125 49

75 49

73 49

✓

TRIAL BALANCE.

42	(Your Name,)			4500
42	Cash,	1287	43	
42	College Bank,	2653	35	
43	Mdse.,	351	11	
43	Bills Rec.,	442	69	
43	Bills Payable,			130
44	O. M. Powers,	126	60	
44	E. J. Shaw & Co.,			230
44	W. W. Phipps,	20	26	
45	C. A. Bliss,			73 44
45	Expense,	50		
45	Discount,	2		
		4933	44	4933 44

STATEMENT.

RESOURCES.				
42	Cash,	1287	43	
42	College Bank,	2653	35	
✓	Mdse. per Inv.,	476	60	
43	Bills Rec.,	442	69	
44	O. M. Powers,	126	60	
44	W. W. Phipps,	20	26	5006 93
LIABILITIES.				
42	(Your Name,)	4500		
43	Bills Pay.,	130		
44	E. J. Shaw & Co.,	230		
45	C. A. Bliss,	73	44	4933 44
	Net Gain,			73 49

How to Find an Error in Your Trial Balance.

As we have already stated, it is always better not to make an error, but with the beginner, especially, the errors are sure to creep in, while the experienced bookkeeper is never quite certain that his balance will be correct the first time he takes it off.

We wish to say to the beginner that you must not get discouraged if the figures fail to balance occasionally. If you should never be out on your balance here, you would never be placed in a position to learn how to detect an error, should one occur, after you leave school for a situation.

How to Find Some Common Errors.

There are several errors which may occur, any one of which would throw the Ledger out of balance; there are also methods for finding these errors, and we hope the student will not call the teacher to his aid until he has tried them all.

1. If, after adding the debit and credit sides of a Trial Balance, you find the footing of one side to be larger than the other, ascertain the exact difference. Now look through your Journal to see if you have an amount equal to that difference. If so, you may find that you have omitted to post either the debit or credit of that item to the Ledger.

2. If no sum equal to the difference can be found in the Journal, divide the difference by 2, if divisible by that number, and again look through the Journal for a sum equal to the result thus obtained. If such an amount is found, you will probably find that you have posted this sum to the wrong side of the Ledger.

3. If both of the above plans fail to find the error, see if the difference is divisible by 9. If so, a transposition of figures may exist. The figures 17 may have been posted as 71, or 325 may have been posted as 523. The difference between any transposition of figures is divisible by 9.

4. The above plans having all failed, the student will begin and go over the posting from beginning to end, observing if every debit and credit item in the Journal has been posted to its proper place in the Ledger. Place a (✓) opposite each item in both the Journal and Ledger as soon as it is found to have been posted correctly. After going over your entire work in this manner, see if every item in the Ledger has a (✓) opposite it, for if it has not, it cannot be long there.

5. Now turn to each account in the Ledger, in their regular order, and carefully go over all of your former addition and subtraction and ascertain if they agree with the results which you already have.

6. If the error still refuses to be found, apply the following test: Place on a sheet of paper all debit items in the Ledger up to your last Trial Balance; opposite these place all your credit items; add these two columns from bottom to top and from top to bottom to see if they agree; if so, the error must be, not in your posting, but in your addition of accounts in the Ledger. If the two columns do not agree, the error must be in carrying some item to the Ledger. Now begin and cancel every number of equal amount found in both columns, and if you can find any two or more sums whose combined result will cancel a number in the other column, cancel them also.


In order to apply this test to the preceding work in Set 1, we have taken the supposition that the figures 69.43 under G. 2 were posted to the credit of Merchandise as 93.43.

After bringing down all the debits and credits of the first and second days into two columns and cancelling from one to the other, where we could, we find that 52 items have been reduced to only 8. It will now be an easy matter to compare each of the 8 items with the Journal entries, to see which one is incorrect.

4500		7500
40		2500
198		200
29 43		455
50		50
2500		325
455		50
325		206 65
200		250
206 65		120
520		80
150		36
373 44		300
36		126 60
150		150
150		316 69
40		93 43
66 69		20 26
126 60		130
316 69		200
250		116 69
40		520
80		40
20 26		40
120		193 44
50		
2		
<hr/>		<hr/>
10995 76	11019 76	11019 76
	10995 76	
	<hr/>	
	24	
29 43		93 43
373 44		130
66 69		116 69
40		193 44
<hr/>		<hr/>
509 56	533 56	533 56
	509 56	
	<hr/>	
	24	

DRAFTS.

The Draft is the oldest kind of commercial paper in use. It is a written order to a second party requesting him to pay a certain amount of money to a third party at a stated time. In the following draft you have ordered H. C. Clark to pay O. M. Powers Four Hundred Dollars, ten days after Clark has seen and accepted the Draft.



\$400# City and State Date 189
 At ten days sight Pay to
 the order of O. M. Powers
Four Hundred # Dollars
 Value received and charge the same to account of
To H. C. Clark.
No. 1 - Philadelphia Pa. (Student)

Parties.

The parties to a Draft are the drawer, drawee and payee. In the above draft (Student) is the drawer, H. C. Clark is the drawee and O. M. Powers is the payee.

Theory of a Draft.

In the above Draft the supposition is, that you are owing O. M. Powers Four Hundred Dollars, while H. C. Clark is owing you, at least the same amount. When H. C. Clark accepted the Draft, it was the same as if he had given O. M. Powers his Promissory Note. This made the paper a Bills Receivable to Powers and a Bills Payable to Clark.

Accepting a Draft.

The Draft is of no value to the payee until it has been accepted. Therefore, the above paper was of no value to O. M. Powers until he took it to H. C. Clark and asked him to accept same, which he did by writing diagonally across the face, "Accepted," with his name and date. An acceptance is usually made with red ink.

Sight Draft.

A Sight Draft is one that is payable immediately upon presentation. In some States three days are allowed in which to pay a Sight Draft.

Time Draft.

A Time Draft is one which is payable a certain number of days after date or sight. "At ten days sight," or "Ten days after sight," means ten days after the acceptance of the paper. Days of Grace apply to Time Drafts the same as to Promissory Notes.

To Honor a Draft.

To Honor a draft, means to accept or pay the same when presented.

Review Questions.

Continued from page 32.

74. What is a Draft? 75. Define a Sight Draft. 76. Define a Time Draft. 77. How would you accept a Time Draft drawn on yourself? 78. Why use red ink? 79. Are Drafts allowed days of grace? 80. What are the parties to a Draft called? 81. Define Payee, Drawee and Drawer. 82. Which one of these parties is supposed to accept the Draft? 83. If you accept a Time Draft drawn on yourself, what do you credit? 84. If you receive a Time Draft and have same accepted, what do you debit? 85. Can you transfer a Draft which you have received, in payment of an account? 86. If so, would it be necessary to indorse same? 87. When you draw a Draft on a person, whom do you credit? 88. When you receive a Sight Draft on some other party and get the same cashed at once, what do you debit? 89. When you receive more for a draft or note than its face, what entry? 90. When you pay less for a draft or note than its face, what entry? 91. When you receive less for a draft or note than its face, what entry? 92. What do you understand by the term Posting? 93. From which book do you post to the Ledger? 94. Do you think you could post from a Day Book? 95. What do you understand by the term Folio? 96. What is a Ledger Heading? 97. Should Ledger Headings, at the top of the page, be written on the red line or on the blue, just above? 98. Where should the year be written? 99. To which side of the Ledger should the debit items in the Journal be posted? 100. To which side should the credit items be posted? 101. What do you understand by a Trial Balance? 102. Is there any necessity of taking a Trial Balance? 103. Is a Trial Balance a sure proof that your work is correct? 104. State some instances where you might have a trial balance and still have your work incorrect. 105. If you find that you are "out" on a trial balance, what method do you generally pursue in finding same? 106. In real business, how often should a trial balance be taken? 107. What is a Day Book-Journal? 108. How is this book arranged? 109. Is it necessary to itemize the purchases in the Day Book-Journal? 110. If not, how is a record kept of same? 111. About how much space should the journal entries occupy? 112. How much space is given to the Day Book entries? 113. What do you understand by closing the Ledger? 114. How often is the Ledger closed? 115. What is the first step taken in closing the Ledger? 116. What do you understand by taking an Account of Stock? 117. What account would you turn to first, in closing the Ledger? 118. What entry would you first make in this account? 119. If you should have a black ink balance in your Mdse. account and your Inventory should be larger than that balance, would you have a gain or loss? 120. If your Inventory should prove to be less than the last balance, what would be the result? 121. Would it be possible to have a red ink balance in your Mdse. account? 122. If this should occur, would it show a gain or loss to the business? 123. Would your Inventory increase or decrease this gain? 124. For what purpose do you open a Profit and Loss account? 125. On which side of Profit and Loss account are the gains carried? 126. On which side the losses? 127. If the credit side should be larger, what would be the result? 128. In case the debit side should prove the larger, what would be the result? 129. What do you understand by the terms Net Gain or Net Loss? 130. Name a few loss and gain accounts.

Continued on page 62.

FORMS TO BE USED
WITH
SET No. 2.

Cash Book.

In this set we introduce the Cash Book, one of the most important books used in the science of bookkeeping. While it might be possible to keep an account of all cash received and paid, in the Ledger, it would not be practical to do so, on account of the space required for explanations.

In this book all cash received is entered on the left hand or debit page, while all cash paid is entered on the right or credit page.

On either page ample space is provided for explanations, so that the proprietor, although he may not himself be a bookkeeper, can, by consulting this book, readily ascertain for just what purpose any item of cash was received or paid.

The wide space between the Folio column and the first money column should be divided into two equal parts by ruling a red line midway between the columns mentioned.

In the left hand space thus provided, should be entered the Ledger accounts. In the right hand space, in a finer hand, should be entered the explanations, each beginning with a Capital Letter.

Day Book-Journal.

This book is practically the same as that used in the preceding set. It will be seen, however, by examining the form given here, that the word "Cash" does not appear in writing up same, as all cash items are entered in the Cash Book.

Its use in connection with the Cash Book is very evident, as there are many transactions which cannot be entered in the Cash Book and must be entered in the Day Book-Journal before they can be posted in the Ledger.

Sales-Book.

All invoices received should be indexed and filed away, thereby providing in themselves an accurate record of all merchandise purchased.

This is not the case, however, with merchandise sold, the only record we have of this being the one we make ourselves.

In order that we may keep this record in a systematic manner, a book known as the Sales Book is provided. In this book the purchaser's name is entered, followed by an itemized list of all articles purchased by him.

The Sales Book in this set is neither a debit nor credit book, its use being simply auxiliary to the other books in the set.

Some Difficult Entries.

In order that the student may clearly understand how to enter some of the most difficult transactions of the first two days of this set, we present below a detailed explanation of the same.

A.-II.

Enter the Cash on the debit side of the Cash Book in the first money column, writing your own name in the space provided for the Ledger account.

In the explanation space you will write the word Investment.

E.-II.

Enter in the Day Book-Journal the same as if the entire purchase was made on account. Enter the cash in the Cash Book the same as if it had been paid to T. T. Wilson on account.

Continued on page 59.

**CASH BOOK,
DAY BOOK-JOURNAL & SALES BOOK.**

CASH RECEIVED.

19.....

Date.	Page of Ledger.						
A	11	(Your name)	Investment,	6000			
D	11	Mdse.,	S. B. 57. S. No. 1,	54	95		
G	11	"	" " " " " 3.	41	10		
I	11	"	" " " " " 4.	130			
K	11	"	" " " " " 5.	10	50	6236	55
G	12	Bills Rec.,	C. A. Bliss' Note,	240			
I	12	H. C. Clark,	On acct.,	50			
J	12	" " "	" "	80			
K	12	" " "	" "	145	90	515	90
Total Receipts,						6752	45
						6752	45
Balance		On hand.				3094	08

DAY BOOK-JOURNAL.

19.....

Date.	Page of Ledger						
C	11	Mdse.,	Inv. No. 1,	196	20		
		O. M. Powers,	On acct.,			196	20
E	11	Mdse.,	Inv. No. 2,	413			
		T. T. Wilson,	On acct.,			413	
F	11	C. A. Bliss,	On acct.,	80			
		Mdse.,	S. B. page 57. S. No. 2,			80	
G	11	Bills Rec.,	8 da. Note at 8%,	100			
		Mdse.,	S. B. page 57. S. No. 3.			100	

19.....

CASH PAID.

Date.	Page of Ledger.						
B 11		College Bank,	Deposited,	2500			
E 11		T. T. Wilson,	On acct.,	230			
J 11		C. A. Bliss,	" "	340			
L 11		T. T. Wilson,	" "	30		3100	
B 12		" " "	" "	100			
C 12		Mdse.,	Inv. No. 6,	24			
D 12		T. T. Wilson,	On acct.,	200			
E 12		C. A. Bliss,	" "	233	25		
G 12		Disc't,	C. A. Bliss' Note,	1	12	558	37
		Total Payments.				3658	37
		Balance	On hand,			3094	08
						6752	45

19.....

DAY BOOK-JOURNAL.

Date.	Page of Ledger.						
H 11		Mdse.,	Inv. No. 3, Shaw & Co.,	421	50		
		Bills Pay.,	6 d. Note at 8%,			421	50
J 11		Mdse.,	Inv. No. 4,	653	25		
		C. A. Bliss,	On acct.,			653	25
L 11		Mdse.,	Inv. No. 5,	75	40		
		T. T. Wilson,	On acct.,			75	40
A 12		Bills Rec.,	8 da. Note.	161	81		
		Mdse.,	S. B. page 57, S. No. 6,			161	81

DAY BOOK-JOURNAL.

19.....					
Date.	Page of Ledger.				
B 12		T. T. Wilson, Bills Pay.,	On acct., 6 da. Note at 8%.	128 40	128 40
D 12		Mdse., T. T. Wilson,	Inv. No. 7, On acct.,	553 50	553 50
D 12		T. T. Wilson, Bills Pay.,	On acct., 5 da. Note at 8%.	200	200
F 12		Bills Rec., Mdse.,	18 da. Note, S. B. page 57, S. No. 7,	240	240
H 12		Mdse., E. J. Shaw & Co.	Inv. No. 8, On acct.,	1483 65	1483 65
II 12		E. J. Shaw & Co., College Bank.	On acct., Check,	600	600
I 12		H. C. Clark, Mdse.,	On acct., S. B. page 58, S. No. 8,	70 90	70 90
J 12		H. C. Clark, Mdse.,	On acct., S. B. page 58, S. No. 9.	205	205

SALES BOOK.

19

Date.	No.					
D	11	1	W. W. Phipps, Cash.			
			75 lbs. Butter,	\$0.21	15 75	
			1 bag Rio Coffee, 140 lbs.,	.28	39 20	54 95
F	11	2	C. A. Bliss, on acct.,			
			25 boxes German Soap, 1000 lbs.,	.08		80
G	11	3	H. C. Clark. Note, \$100. Cash, \$41.10.			
			11 bu. Potatoes,	.90	9 90	
			80 doz. Eggs,	.14	11 20	
			10 brls. N. O. Sugar.	12.00	120	141 10
I	11	4	T. T. Wilson, Cash.			
			15 brls. Cider Vinegar, 450 gal.,	.20	90	
			10 brls. Flour,	4.00	40	130
K	11	5	O. M. Powers, Cash.			
			50 lbs. Butter,	.21		10 50
A	12	6	O. M. Powers, 8 da. Note.			
			25 lbs. Butter,	.21	5 25	
			75 boxes Boston Crackers.	1.80	135	
			154 doz. Eggs,	.14	21 56	161 81
F	12	7	C. A. Bliss, 18 da. Note.			
			30 brls. Flour,	4.00	120	
			10 brls. N. O. Sugar,	12.00	120	240

SALES BOOK.

19.....									
Date.	No.								
I	12	8	H. C. Clark, on acct.,						
			20 boxes Boston Crackers,	\$1.80	36				
			5 " German Soap, 200 lbs.,	.08	16				
			90 lbs. Butter,	.21	18	90	70	90	
J	12	9	H. C. Clark.						
			25 boxes Lemons,	8.20			205		

Promissory Note.

A—Exercise 2.

\$ 300⁰⁰

City State and Date 1

Ten days after date I promise to pay


to the order of O. M. Powers

Three Hundred ¹⁰⁰ Dollars

at His office

Value received with Interest at 7% per annum

No. 1 Due (Your name)



Receipt.

K -12.

City State and Date 1

Received from H. C. Clark

One Hundred Forty-five ⁰⁰/₁₀₀ Dollars

in full of account

\$ 145⁹⁰ (Your name)

Continued from page 52.

G.-11.

Enter the part settled by note in the Day Book-Journal and the part settled in cash in the Cash Book.

It will be noticed than in this transaction, the term Mdse. is used in the Ledger space, while in E. the name of the person with whom you did business is used.

The reason for this is, that under E. the purchase was not settled for in full, while in this transaction the goods were fully paid for at the time of the sale.

D.-12.

Enter in the Day Book-Journal the same as if the entire purchase was made on account.

Make another Day Book-Journal entry for the note, debiting T. T. Wilson and crediting Bills Payable.

Enter the cash in the Cash Book the same as if it had been paid to T. T. Wilson on account.

By entering in the above manner, the Ledger will be made to show the entire transaction.

In the case of a sale, where the same principles are involved, a statement showing all debits and credits can be taken directly from the Ledger.

G.-12.

Enter the full face of the note on the debit side of the Cash Book and discount on the credit side, the same as if the entire amount had been first received and the discount afterwards paid out from same.

Closing the Cash Book.

The Cash Book in this set should be closed at the end of the twelfth, fifteenth, seventeenth and twentieth days' work.

In closing, the total receipts and total payments are extended into the second money column on either side. The difference between the debit and credit side is brought down in red ink in the second money column on the credit side; this difference should show the amount of Cash on hand.

Great care should be taken in ruling up the Cash Book, and the form given herein should be carefully observed in so doing.

In opening up the Cash Book, after closing, the balance on hand should be entered in the second money column of the debit page in order to keep it separate from the Cash received during the following day.

Order of Posting.

After entering all transactions for the eleventh day in the Day Book-Journal, Cash Book and Sales Book, the student will post in the following order:

1.

Post all Day Book-Journal entries the same as in the preceding set.

2.

Post all entries, in the Ledger account space, on the credit side of the Cash Book to the debit of their respective accounts.

3.

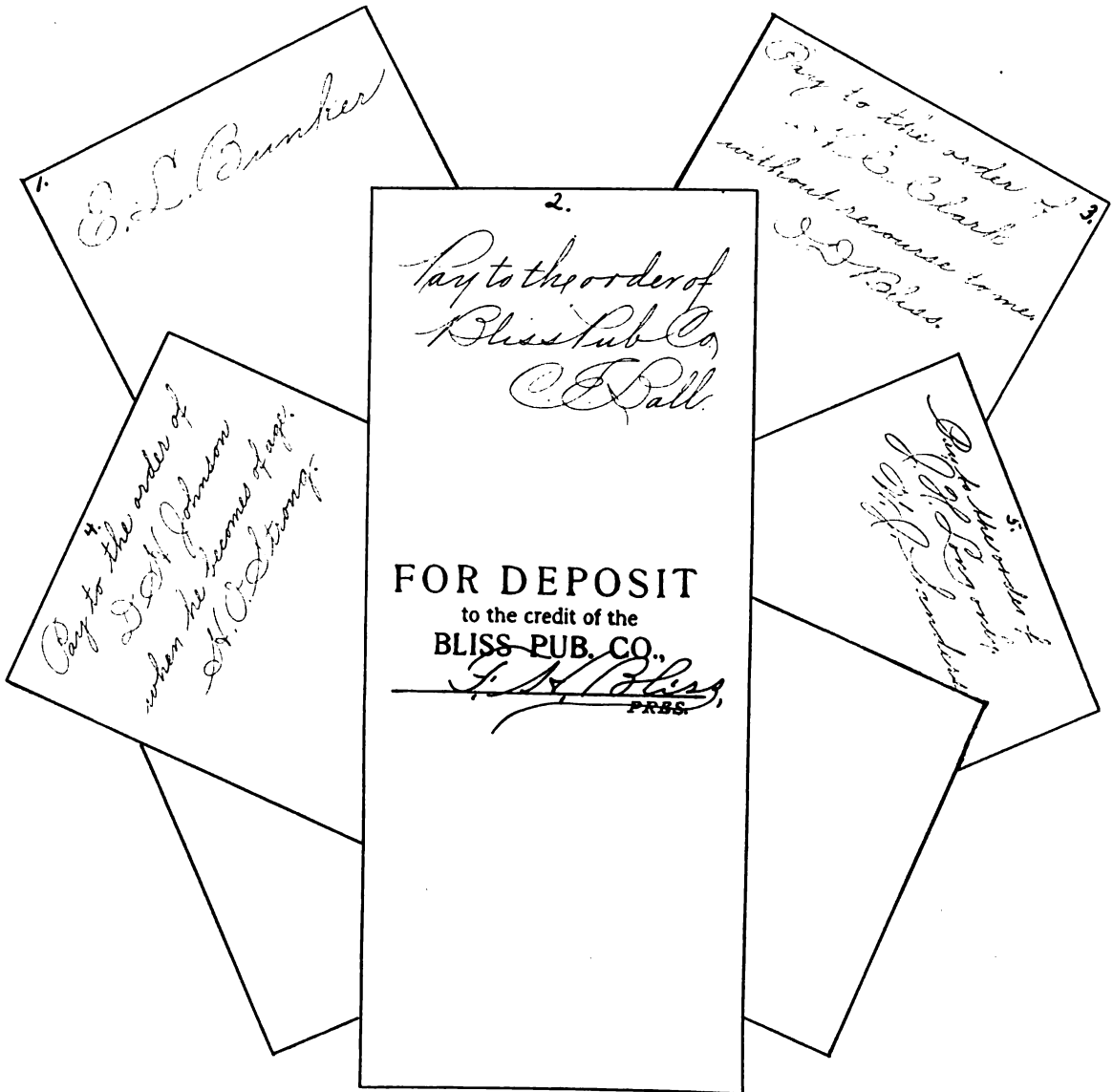
Post all entries, in the Ledger account space, on the debit side of the Cash Book to the credit of their respective accounts.

4.

Post the footings from the debit side of the Cash Book to the debit of Cash, and the footings from the credit side to the credit of Cash.

Indorsements.

There are several forms in general use for indorsing checks, notes and negotiable instruments of different kinds. The forms given below are as follows: 1. In Blank. 2. In Full. 3. Without Recourse. 4. Conditional. 5. Restrictive.



Definitions.

An Indorsement "In Blank" is simply the signature of the Indorser.

In an Indorsement "In Full" the Indorser mentions the name of the person to whom, or to whose order, the money is to be paid.

An Indorsement "Without Recourse" is one in which the Indorser wishes to relieve himself of further responsibility in regard to the note.

A Conditional Indorsement is one in which the Indorser attaches some condition to the payment of the note.

A Restrictive Indorsement is one in which the Indorser wishes to restrict the further negotiability of the note.

Review Questions.

Continued from page 50.

131. If one of these accounts should show a red ink balance, would it be a gain or loss to the business? 132. If a black ink balance is shown, how does it affect the business? 133. What colored ink is used in closing an account? 134. Is it necessary to do any ruling in closing the Balance Column Ledger? 135. When the Profit and Loss account is closed, where is the Net Gain or Net Loss carried? 136. What is a Statement? 137. What are Resources? 138. What are Liabilities? 139. Name some accounts which are among the resources of a business. 140. Name some Liabilities. 141. Are any of the loss and gain accounts found among the Resources and Liabilities? 142. If the total Resources should prove to be larger than the total Liabilities, how is the business affected? 143. If your Liabilities should be the larger, what would be the result? 144. What do you understand by Net Solvency? 145. By Net Insolvency? 146. Is the proprietor's account a Resource or Liability to the business? 147. Can Cash account show a red balance and be correct? 148. Can Bills Payable show a black balance and be correct? 149. If you find that your Trial Balance is in error, how do you proceed to find the same? 150. What is the object of the Cash Book? 151. On which side is the Cash Received entered? 152. On which side is the Cash Paid entered? 153. What is meant by Balancing the Cash Book? 154. How often should the Cash Book be balanced? 155. How can you prove the correctness of the Cash Book? 156. How is the Cash Book ruled? 157. In which column do you place the Cash Received and Cash Paid? 158. When you close the Cash Book, in which column do you place the Balance on hand? 159. When you open up the Cash Book after closing, in which column do you place the Balance on hand? 160. Why place it in this column? 161. Should any care be taken in ruling up the Cash Book? 162. What Books do we use in connection with the Cash Book? 163. What entries are made in the Day Book-Journal? 164. Is the word Cash found in the Day Book-Journal? 165. What is the object of the Sales Book as used with this set? 166. How are entries made in the Sales Book? 167. Is the Sales Book in this set a debit or a credit book? 168. In the Cash Book, how should the wide space between the date and first money column be divided? 169. After dividing this space, what should the left hand half be used for? 170. For what purpose is the right hand half used? 171. In which book did you enter the Cash which you invested in business? 172. If you should get a \$200 Note discounted and the bank should deduct \$2 and hand you \$198, how would you enter same? 173. If you should sell a bill of Mdse. and receive Cash in full payment, what entry would you make? 174. If you should purchase a bill of Mdse. Invoiced at \$500 and give in payment Cash \$200 and your note for \$300, what entry? 175. If you should sell a bill of Mdse. for \$380 and receive in payment Cash \$200 and the Balance on account, what entry? 176. If you should purchase a bill of Mdse. invoiced at \$600 and give in payment Cash \$200, your Note for \$200 and the balance on account, what entry? 177. If you pay Cash for freight on Mdse. sold, what entry? 178. If you pay Cash for freight on Mdse. purchased, what entry? 179. If you should withdraw Cash for private use, what entry? 180. If you should pay Cash for recovery of Mdse. stolen, what entry? 181. What is the order of Posting in this set? 182. How should the Journal entries be posted? 183. How should the items on the debit side of the Cash Book be posted? 184. How should the items on the credit page be Posted? 185. How should the footings of the Cash Book be Posted? 186. If you should purchase for Cash an Office Desk, what entry?

Continued on page 92.

FORMS TO BE USED
WITH
SET No. 3.

FURNITURE PRICE LIST.

	No. 1.	No. 2.	No. 3.	No. 4.	No. 5.	No. 6.
Office Desks,	\$25.00	\$24.75	\$25.25	\$25.15	\$23.50	\$24.50
Office Chairs,	5.00	4.85	4.95	5.10	5.05	4.50
Brussels Carpet,	1.15	1.20	1.25	1.35	1.30	1.25
Cane Chairs,	11.50	11.70	11.80	12.00	12.50	13.00
Kitchen Tables,	1.50	1.75	1.65	1.70	1.60	1.55
Window Shades,	.45	.48	.46	.49	.50	.47
Wool Mattresses,	4.50	4.75	4.65	4.45	4.60	4.55
Antique Rockers,	7.50	7.60	7.70	7.80	7.90	7.40
Antique Suits,	96.00	97.00	95.00	94.00	98.00	93.00
Walnut Bookcases,	36.00	35.00	34.00	37.00	38.00	33.00
Kitchen Chairs,	3.00	2.50	2.60	2.70	2.80	2.90
Cocoa Matting,	.50	.45	.40	.55	.60	.65

Special Column Journal.

Different lines of business demand different methods for keeping their accounts, so that the forms employed by them differ widely; in fact, it may be said that no two houses keep their books exactly in the same manner. After the student has thoroughly mastered the principles of bookkeeping, however, he can readily adapt himself to any special form, or, if necessary, plan new forms for himself.

In this set we present two forms for a Special Column Journal, either of which are in general use by commercial and manufacturing establishments. The first form which we present is known as the

Six Column Journal.

(Pages 66 to 72 inclusive.)

This book is ruled with three Debit columns on the left of the page, and three Credit columns on the right. Two of the columns on either side are for Cash and Merchandise, while the third is for "Posted Accounts." The advantage of this Journal lies in the fact that the items of Cash and Merchandise, which often appear, are not posted directly to the Ledger, as in the ordinary Journal. Instead, each is entered in its respective column, which is footed and posted to the debit of its respective account in the Ledger, whenever a Trial Balance is to be taken.

All items other than Cash and Merchandise are entered in the "Accounts Posted" column, and are posted separately as in other Journals. A check mark (✓) is placed in the Folio column opposite all items entered in the Cash and Merchandise columns, while the page of the Ledger to which it is posted is entered opposite all items entered in the "Accounts Posted" column. On pages 82 to 85 we present forms for a

Twelve Column Journal.

This form is ruled for six accounts, each account having a Debit and Credit column making in all twelve columns. In the form herein presented we have given a column to each of the accounts most commonly used in this set, but in other lines of business other names are given to some of the columns. Still more columns than we here present are used by some houses to accommodate different departments of the business.

A book known as the Sixteen Column Journal is used by some firms.

Bills Receivable and Bills Payable Book.

Business houses handling a large amount of commercial paper such as Promissory Notes and Acceptances, usually keep a book in which they enter all the particulars concerning them. This requires several columns, each column having its special use. The forms given on pages 74 and 75 are the ones most commonly used, but these, like other forms, differ in different business houses. These books are not posted from, and are simply auxiliary to the other books. The two are generally bound in one book, one being on the reverse side of the other.

Double Ledger.

In this set we introduce for the first time the Double or Regular Ledger, which is the one most commonly used by all lines of business.

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SPECIAL COLUMN JOURNAL (First Form).

CASH.	MDSE.	POSTED ACCTS.		POSTED ACCTS.	MDSE.	CASH.
3297 80	2335 65	2935 65	Brought forward, K.	7098 34	293 75	1177 01
		345	76 Bills Rec., 30 d. Note, 7%,			
		162	78 W. W. Phipps, On acct.			
			Mdse. 45 yds. C. Matting, \$.50 ✓ 40 yds. B. Carpet, 1.15 2 K. Tables, 1.50 1 W. Mattress, 4.50 2 A. Suits, 96.00 1 W. Bookcase, 36.00 12½ doz. C. Chairs, 11.50 2 O. Desks, 25.00 2 O. Chairs, 5.00 M. 10 d. N. 6%, W. W. Phipps. 10 d. N. 6%. . N.	507 75		
		800	76 Bills Rec., Bills Pay.	800		
799 70			✓ Cash, 13 d. 7%. B. Rec., Int.,	77 76 800 1 73		

SPECIAL COLUMN JOURNAL (First Form).

CASH.	MDSE.	POSTED ACCTS.		POSTED ACCTS.	MDSE.	CASH.
	618 20		A.			
			✓ Mdse., Inv. No. 5.	78		
			O.M. Powers On acct.,	612 50		
			Cash, Freight.	✓		5 70
			B.			
		350	76 Bills Rec. 18 d. Note, 6%.			
			✓ Cash.			
280		193 50	78 T. T. Wilson. On acct.			
			Mdse.	823 50		
			5 O. Desks, \$25.00	✓		
			11 O. Chairs, 5.00			
			150 yds. B. Carpet, 11.15			
			18 doz. C. Chairs, 11.50			
			2 A. Suits, 96.00			
			2 W. Bookcases, 36.00			
			C.			
			✓ Mdse., Inv. No. 6.			
	493 20		B. Pay., 18 d. Note, 7%.	77 150		
			W.W. Phipps 10 d. Draft,	78 162		
			Cash,	75		
			D.			
			✓ Cash, Proceeds.			
500		79 79	79 Disc't, 5 d. 7%.	✓		180 45

B. Pay.,	5 d. Note, 7%,	77	500	79	
	E.				
Expense,	5 tons Coal.				
28 75	77				
Manager,	On acct.	79	28	75	
	F.				
Cash.					
7 36	78				
Cash Dis.,	At 2%.				
	8 K. Tables,	\$ 1.50			
	18 W. Shades,	.45			
	5 W. Mattress,	4.50			
	5 A. Rockers,	7.50			
	3 A. Suits,	96.00			
	G.				
563	76				
Bills Rec.,	18 d. Note, 6%.				
	5 O. Desks,	\$25.00			
	5 O. Chairs,	5.00			
	140 yds. Carpet,	1.15			
	12 doz. C. Chairs,	11.50			
	4 K. Tables,	1.50			
	3 W. Bookcases,	36.00			
	Carried forward,				
1140 74	1143 40		1454 79	1754 60	186 15

SPECIAL COLUMN JOURNAL (First Form).

CASH.	MDSE.	POSTED ACCTS.		POSTED ACCTS.	MDSE.	CASH.
1140 74	1111 40	1143 40	Brought forward,		1454 79	186 15
562 66			H.	.		
			Cash,	✓		
		2 31	Disc't,	79		
			B. Rec.,		563	
			Int.,		I 97	
			I.			
			Inv. No. 7.			
	964 95		3 d. Note at 6%,	77	565	399 95
			Cash,	✓		
			J.			
			30 d. Note at 7%.			
		765 25	2 O. Desks,	✓	765 25	
			Mdse., \$25.00			
			3 O. Chairs,			
			35 yds. Carpet,			
			5 A. Suits,			
			5 W. Bookcases,			
			K.			
		612 50	O. M. Powers, On acc't.			
		75 79	Exchange,			
			1/8% Premium.			
			Cash,	✓		601
			Cash Disc't At 2%,	78	12 25	

3200	79	House & Lot, Cash, Bills Pay.,	L. No.—, —St. 10 d. First Mortgage, 7%, M.	✓ 77	2000	1200
230	76	Bills Rec.,	12 d. Note, 6%.			
164	25	Shaw & Co., Mdse.,	On acct. 1 O. Desk, \$25.00 1 O. Chair, 5.00 35 yds. Carpet, 1.15 3 A. Suits, 96.00 1 W. Bookcase, 36.00	✓ 394	25	
1065	80	Col.Bnk.Stock	10 shares at 106 $\frac{3}{8}$.			
1592	44	Cash, Mdse.,	P. Inv. No. 8.	✓ 77		1065
1	70	Disc't, Bills Pay.,	1% of Wilson's draft. 10 d. Note, 6%.	77	1240	
		T.T.Wilson, Sight Draft, Cash,		78	170	
				✓		184 14
1703	40	3668	79	16	✓	(Proof)
		3668	79	77	✓	Mdse.
		1703	40	76	76	Cash,
		12557	35		12557	35
				6007	01	2914
				2914	10	3636
				3636	24	24

BILLS

DATE.	NO.	MAKER.	RECEIVED FROM.	INDORSER.	REC'D FOR.
A 21	1	Manager,	Manager,	Myself.	
K 21	2	W. W. Phipps,	W. W. Phipps.		Mdse.
M 21	3	T. T. Wilson,	T. T. Wilson,		Exchanged.
P 21	4	E. J. Shaw & Co.,	E. J. Shaw & Co.,		Mdse.
B 22	5	T. T. Wilson,	T. T. Wilson,		"
G 22	6	W. W. Phipps,	W. W. Phipps,	Myself,	"
J 22	7	T. T. Wilson,	T. T. Wilson,		"
M 22	8	E. J. Shaw & Co.,	E. J. Shaw & Co.,		"

BILLS

DATE.	NO.	TO WHOM PAYABLE.	WHERE PAYABLE.	INDORSER.	GIVEN FOR.
I 21	1	O. M. Powers,	His Office,		Mdse.
M 21	2	T. T. Wilson,	" "		Exchanged.
C 22	3	H. C. Clark,	" "		Mdse.
D 22	4	College Bank,	College Bank,		Cash.
I 22	5	C. A. Bliss,	" "		Mdse.
L 22	6	J. A. Comstock,	" "		Real Estate.
P 22	7	O. M. Powers,	His Office,		Mdse.

RECEIVABLE.

TIME.	YEAR.	RATE.	WHEN DUE.												AMOUNT.	REMARKS.
			Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.		
10 d.		6%													1200	Discounted.
30 "		7 "													345	
10 "		6 "													800	Discounted.
12 "		7 "													495 90	
18 "		6 "													350	
18 "		6 "													563	Discounted.
30 "		7 "													765 25	
12 "		6 "													230	

PAYABLE.

TIME.	YEAR.	RATE.	WHEN DUE.												AMOUNT.	REMARKS.
			Jan.	Feb.	Mar.	Apr.	May.	June.	July.	Aug.	Sept.	Oct.	Nov.	Dec.		
30 d.		7%													398	
10 "		6 "													800	
18 "		7 "													150	
5 "		7 "													500 79	
3 "		6 "													565	
10 "		7 "													2000	
10 "		6 "													1240	

(YOUR NAME)

190...

190...

Date.				Date.			
				A 21		66	5209
				Q 22	Loss & Gain,	80	270 72
		5479	72				5479 72
				A 23	By Balance,		5479 72

CASH.

Q 21		68	4097	50	Q 21		68	1560	97
Q 22		72	1703	40	Q 22		72	3636	24
					Q 22	By Balance,		603	69
			5800	90				5800	90
A 23	To Balance,		603	69					

BILLS RECEIVABLE.

A 21		66	1200		G 21		66	1200	
K 21		68	345		N 21		68	800	
M 21		68	800		H 22		72	563	
P 21		68	495	90	Q 22	By Balance,		2186	15
B 22		70	350						
G 22		70	563						
J 22		72	765	25					
M 22		72	230						
			4749	15				4749	15
A 23	To Balance,		2186	15					

FIXTURES.

D 21		66	44	95	Q 22	By Inv.,		40	90
					Q 22	By Loss & Gain	80	4	05
			44	95				44	95
A 23	To Inv.,		40	90					

WESTERN R. R. BONDS.

190.....

190.....

Date.						Date.					
A	21		66	1447	50	Q	22	By Inv.,	✓	1472	50
Q	22	To Loss&Gain	80	25							
				1472	50					1472	50
A	23	To Inv.		1472	50						

EXPENSE.

C	21		66	60		I	22	By Inv.,	✓	83	31
E	21		70	28	75	Q	22	To Loss & Gain	80	5	44
				88	75					88	75
A	23	To Inv.,		83	31						

MERCHANDISE.

Q	21		68	2727	45	Q	21		68	1297	40
Q	22		72	3668	79	Q	22		72	2914	10
Q	22	To Loss&Gain	80	240	47	Q	22	By Inv.,	✓	2425	21
				6636	71					6636	71
A	23	To Inv.,		2425	21						

BILLS PAYABLE.

Q	22	To Balance,	✓	5653	79	I	21		66	398	
						M	21		68	800	
						C	22		70	150	
						D	22		70	500	79
						I	22		72	565	
						L	22		72	2000	
						P	22		72	1240	
				5653	79					5653	79
						A	23	By Balance,		5653	79

C. A. BLISS.

190.....

190.....

Date.

Date.

Q 22 To Balance,

271 65

H 21

66 271 65

271 65

271 65

A 23 By Balance,

271 65

T. T. WILSON.

J 21

66 178 15

P 22

72 170

B 21

70 193 50

Q 22 By Balance,

201 65

371 65

371 65

A 23 To balance,

201 65

W. W. PHIPPS.

K 21

68 162 75

C 21

70 162 75

O. M. POWERS.

K 22

72 612 50

A 22

70 612 50

CASH DISCOUNT.

F 21

66 2 01

E 21

66 17 09

F 22

70 7 36

O 21

68 7 84

Q 22 To Loss & Gain,

80 27 81

K 22

72 12 25

37 18

37 18

MANAGER.

190.....

190.....

Date.					Date.				
Q	22	To Balance,	✓	28 75	E	22		70	28 75
					A	23	By Balance,		28 75

EXCHANGE.

E	22		72	75	Q	22	By Loss & Gain,	80	75
---	----	--	----	----	---	----	-----------------	----	----

HOUSE AND LOT.

L	22		72	3200	Q	22	By Inv.,	✓	3200
A	23	To Inv.,		3200					

E. J. SHAW & CO.

M	22		72	164 25	Q	22	By Balance,	✓	164 25
A	23	To Balance,		164 25					

INTEREST AND DISCOUNT.

G	21		66	3 04	G	21		66	2 60
N	21		68	2 03	N	21		68	1 73
D	21		70	79	H	22		72	1 97
H	22		72	2 31	Q	22	By Loss & Gain,	80	3 57
P	22		72	1 70					
				9 87					9 87

COLLEGE BANK STOCK.

190.....				190.....			
Date.				Date.			
N	22	72	1065	Q	22	By Inv.,	1056 25
				Q	22	" Loss & Gain.	80 8 75
			1065				1065
A	23	To Inv.,	1056 25				
LOSS & GAIN.							
Q	22	C. B. Stock,	80	Q	22	Mdse.	77 240 47
Q	22	Fixtures,	76	Q	22	W. R. Bonds,	77 25
Q	22	Expense,	77	Q	22	Cash Disc't,	78 27 81
Q	22	Int. & Dis.,	79				
Q	22	Exchange,	79				
Q	22	To (your name)	76				
			270 72				
			293 28				293 28

Balance Sheet.

On the next page we present a neat and compact form for a Balance Sheet. There are six columns, the first two being for the Trial Balance, the second two for the Losses and Gains, and the third two for the Resources and Liabilities.

In the Trial Balance is given the total debit and credit of each account. After crediting the Fixtures, Expense and College Bank Stock accounts with their Inventories, a loss is shown in each; this loss is carried into the Loss column opposite their respective accounts. The losses incurred by Exchange, Interest and Discount are also extended into the Loss column.

Western R. R. Stock and Merchandise both show a gain after being credited with their Inventories; these gains are extended into the Gain column.

The difference between the Gain column and the Loss column shows \$270.72 in favor of the Gain column. This represents the Net Gain of the business to date, and is brought down with red ink in a manner to balance the Loss and Gain columns.

By adding the Net Gain to your investment, the Net Worth of the business to date will be shown. Enter this amount in the Liability column below the first footing.

Extend all Resources, including all Inventories, to the Resource column, and all Liabilities to the Liability column. In order that the Inventories may be designated from other Resources, the figures are entered with red ink.

If the footing of the Liability column, added to the firm's Net Worth, equals the footing of the Resource column, you will have an excellent proof that your work is correct.

BALANCE SHEET.

F.	NAMES OF LEDGER ACCOUNTS.	TRIAL BALANCE.				Losses.	Gains.	Resources.		Liabilities.	
		Dr.		Cr.							
76	Student,			5209							
76	Cash,	5800	90	5197	21			603	69		
76	Bills Rec.,	4749	15	2563				2186	15		
76	Fixtures,	44	95			4	05	40	90		
77	W. R. R. Bonds,	1447	50				25	1472	50		
77	Expense,	88	75			5	44	83	31		
77	Mdse.,	6396	24	4211	50		240	47	2425	21	
77	Bills Pay.,			5653	79						5653 79
78	C. A. Bliss,			271	65						271 65
78	T. T. Wilson,	371	65	170				201	65		
78	Cash Disc't,	9	37	37	18		27	81			
79	Manager,			28	75						28 75
79	Exchange,		75			75					
79	House and Lot,	3200						3200			
79	E. J. Shaw & Co.	164	25					164	25		
79	Int. & Disc't,	9	87	6	30	3	57				
80	Col. Bank Stock,	1065				8	75	1056	25		
		23348	38	23348	38	22	56	293	28	11433	91
	Net Gain,					270	72				
						293	28	293	28		
	Investment,			5209							
	Net Gain,			270	72						
	Net Worth,									5479	72
								11433	91	11433	91

SPECIAL COLUMN

(26th Day.)

MERCHANDISE.	CASH.	F.	Date.
	46 20	✓	A. Insurance On Mdse., Cash,
	508 29	✓	B. O. M. Powers, On acct., Exchange, 1/8% Disc't, Cash,
2238 45		✓	C. Mdse., Inv. No. 22, W.W.Phipps, 10 d. draft, H. C. Clark, On acct.,
3264 50		✓	E. Bills Rec., E. J. S's draft accepted. Mdse., 75 yds. Carpet, \$ 1.15 125 C. Chairs, 11.50 35 K. Tables, 1.50 150 W. Shades, .45 15 W. Mattresses, 4.50 14 A. Rockers, 7.50 7 A. Suits, 96.00
	1343 02	✓	F. Bills Pay., Favor H. C. Clark, Cash, Disc't At 6% 31 d. before due,
3641		✓	G. Bills Pay., Favor O. M. Powers, Interest On above note, Bills Pay., Favor O. M. Powers, Interest On above note, Bills Rec., 30 Note, 6%, Mdse., 15 O. Desks, \$25.00 12 O. Chairs, 5.00 350 yds Matting, 1.50 125 doz. K. Chairs, 3.00 35 W. Bookcases, 36.00 12 A. Suits, 96.00 8 A. Rockers, 7.50 160 yds. Carpet, 1.15
51		✓	Fixtures For Office use, Mdse. 1 W. Bookcase, 36.00 1 A. Rocker, 7.50
2238 45	6956 50	1897 51	Forward,

JOURNAL (Second Form).

POSTED ACCOUNTS.

BILLS RECEIVABLE.

BILLS PAYABLE.

INTEREST AND DISCOUNT.

46 20

508 93

64

1500

738 45

3264 50

1350

6 98

398

1240

39

83

2001 78

51

606 13 2239 09 5266 28

2988

1 22 6 98

SPECIAL COLUMN

MERCHANDISE.				CASH.				F.	
2238	45	6956	50			1897	51		
				1999	87			✓	Cash,
								✓	Disc't,
								✓	Bills Rec.,
								✓	Int.,
2656	85								J.
								✓	Mdse.,
								✓	Bills Rec.,
						970		✓	Cash,
									C. A. Bliss,
									On acc't,
									K.
									Manager,
						28	75	✓	Cash,
									L.
				1346	06			✓	Cash,
				3	94			✓	Disc't,
								✓	Bills Pay.,
									C. A. Bliss,
									E. J. Shaw.
									On acc't,
									Sight draft,
									N.
				1094	75			✓	Cash,
								✓	Mdse.,
									25 K. Tables,
									45 doz. K. Chairs,
									15 O. Desks,
									12 O. Chairs,
									35 doz. C. Chairs,
									75 W. Shades,
									8 W. Mattresses,
									2 A. Rockers,
									O.
								✓	Bills Pay.,
						780		✓	Cash,
									P.
2621	40							✓	Mdse.,
								✓	Cash,
						1227	92		H. C. Clark,
									On acc't,
7516	70	8051	25	4444	62	4904	18		(Proof)
									Mdse.,
									Cash,
									Bills Rec.,
									Bills Pay.,
									Int. & Disc't,

[illegible]

Discounts.

In this system of Actual Business, the student will deal with four kinds of Discounts, viz.: Bank Discount, True Discount, Cash Discount and Trade Discount.

Bank Discount.

The student has already learned from his experience in discounting notes, that Bank Discount is the simple interest on the amount due on a note at maturity, from the date of discount to the date of maturity. On an interest-bearing note, the amount due at maturity is the face of the note plus the interest on same to maturity.

On a non-interest-bearing note the amount due at maturity is simply the face of the note.

True Discount.

If the student should purchase a bill of goods invoiced at \$5,000, on 30 days' time, and then conclude to settle the bill immediately, he would only be expected to pay a sum of money which, put on interest today at the legal rate, would amount to the \$5,000 in 30 days.

The difference between the \$5,000 due in 30 days and that which he would have to pay today, in order to settle the bill, is called True Discount. In case the bill is paid at once in Cash, the True Discount should be entered in the same manner as Cash Discounts.

Cash Discount.

In this and the following set, when the student pays cash for an entire bill of goods at the time of purchase, he will be allowed a discount on the bill. He will also discount all bills which he sells for cash. This benefit to the purchaser is called a Cash Discount.

In order that the student may know how much he gains by "Discounting his bills," he will be required, in this set, to journalize all Cash Discounts separately.

Trade Discounts.

It is customary, in many lines of business, for the dealer to have a regular list or catalogue price on all articles of Merchandise for sale. In this set the student's list price is the one assigned him from among the six price lists herein given. He cannot change the regular prices, but if he wishes to favor a customer who purchases a large bill of goods, he can do so by making certain discounts on same. These abatements are known as Trade Discounts.

In this and the following set, the net amount only is entered in the books, no mention being made of the discounts.

To Purchase a Bank Draft.

The best and most common way of making a remittance is by Bank Draft. Most banks have a small printed form called an Application for Drafts, which the purchaser is expected to fill out and hand to the Teller, together with his check payable to the order of New York Draft. It is preferable to have the Draft drawn to the order of the purchaser's name, after which he should endorse it in full before remitting same to the creditor. A Draft on a New York or

College National Bank	
APPLICATION FOR DRAFTS.	
ON WHAT CITY WANTED?	
On	<i>New York</i>
TO ORDER OF	
<i>Myself</i>	<i>600 25</i>
Exchange,	<i>75</i>
Total Paid,	<i>601</i>
Purchased by <i>(Your name)</i>	
Date	Teller.

Chicago Bank will as a rule pass at par anywhere in the United States, but in making a remittance from a central point like Columbus, Ohio, to some city west of the Rocky Mountains, it may be better to purchase a draft on San Francisco, or in sending to some point in the New England States a draft on Boston might be preferable. Banks generally charge a small fee for their trouble in making out and recording drafts, regardless of the course of exchange.

Customers of a bank who have a fairly good balance to their credit can usually obtain what drafts they want without paying this fee.

Course of Exchange.

The Course of Exchange depends upon the ebb and flow of credit from east to west and from west to east.

For instance, a Chicago bank may have a large amount of money to its credit in a New York bank. Buyers of New York Exchange may be few, and the Chicago bank, in order to

College National Bank.		No. <i>486</i>
City, State and Date <i>10</i>		
(<i>Your name</i>) \$ <i>600 25</i>		
<i>Six Hundred</i> <i>25</i> <i>100</i> Dollars,		
To College Exchange Bank, New York.		
<i>S. S. Purdy</i> CASHIER.		

keep its money moving, may offer Exchange on New York at a discount, or if, on the other hand, the Chicago bank has a small balance to its credit in New York, it will be compelled to offer its exchange at a premium.

If the Chicago bank were actually compelled to send money to New York by express to meet its drafts, or if, on the other hand, it were compelled to withdraw a portion of its balance in New York, in order to keep its money moving, the express charges either way would cost \$1.00 per thousand, and the interest while en route about 25c more, making the total cost of actual remittance \$1.25 per thousand; this would be equivalent to $\frac{1}{4}$ per cent. premium or discount. If on the same principle, it were necessary to remit money by express from San Francisco to New York, or New York to San Francisco, the extra charge for express and interest would increase the cost to \$2.50 per thousand, making the cost of exchange $\frac{1}{4}$ per cent. premium or discount.

Stocks and Bonds.

In this and the following set, the student will be permitted to invest his surplus cash in the stocks of the College Bank and College Transportation Companies. As the rules which govern his transactions in Stocks and Bonds here are the same as those which govern similar transactions in the business world, it is important that correct methods be followed in the actual business department.

For this reason we have prepared for the student's use blank Stock Certificates and regular Coupon Bonds, illustrations of which are shown herein. When the student invests in the Stocks of any Corporation he will receive a

Stock Certificate.

This certificate will set forth the number of shares purchased, the par value of each, and will be signed by the President of the corporation, or in the case of Bank Stock, by the President and Cashier.

This certificate, which will be the only evidence which the student will have that he owns stock in a corporation, can be sold and transferred the same as any other personal property. When he purchases stock from any other than the officers of the Corporation, the student should see that the seller indorses his certificate, after which the buyer will present it to the Secretary or Cashier, who will take it up and issue to him a new one. This exchange is made in order that the officers may be able to make a record of the transfer on their books.

Bonds.

The Western Railroad and College Railroad Companies have been compelled to borrow \$50,000 each, and have given as security for the payment of same, a mortgage covering all of the properties of the companies. There have been issued by each company 100 \$1,000 Coupon Bonds, with interest payable quarterly at 4 per cent. These bonds are payable to bearer, and can be bought and sold by any one. For each payment of interest to be made, there is a coupon attached, and whenever interest becomes due, these coupons can be detached in their order and presented to the office of the company, or to any bank, for payment.

Bond holders, in order to guard themselves against loss, sometimes have their bonds registered at the company's office with the number of the bond and owner's name. They are then called Registered Bonds, and cannot be transferred except at the register's office.

Par, Above and Below.

A Stock Certificate or Bond purchased for more than its face value is said to be above Par. If purchased at its face value, it is said to be at Par, and if purchased below its face value, it is said to be below Par. The market value of a share of stock or of a bond is what it will bring on the market, usually a certain per cent. of the Par Value.

The market value of stock is determined by the degree of prosperity of the corporation issuing it, and the ability of the corporation to earn dividends.

The market value of bonds is determined by the financial standing of the corporation or government bonded, or by its ability to meet its outstanding obligations.

Buying and Selling Through a Broker.

While the student will in some cases buy directly from the seller, or sell directly to the buyer, he will, in other transactions in Stocks and Bonds, buy and sell through the medium of a broker. In this case he will be compelled to pay the broker a small fee, usually $\frac{1}{2}$ per cent., for transacting the business for him. Stocks or Bonds purchased in this way will cost the student the market value plus $\frac{1}{2}$ per cent. of the par value, while the same sold, will bring the student the market value minus $\frac{1}{2}$ per cent. of the par value.

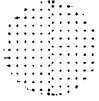
No. _____	CAPITAL STOCK \$50,000.	Shares. _____
-----------	-------------------------	---------------

First National College Bank.

CAPITAL \$50,000. SHARES \$100 EACH.

This is to Certify that _____
is entitled to _____ Shares of the Capital Stock of the
First National College Bank, transferable only on the Books of said
Bank in person or by Attorney on the surrender of this Certificate.

In Witness Whereof, the said Bank has caused this Certificate
to be signed by its President and Cashier.



 Cashier.

_____ 189__

 President.


No. _____	CAPITAL STOCK \$50,000.	Shares. _____
-----------	-------------------------	---------------

College Transportation Stock.

CAPITAL \$50,000. SHARES \$100 EACH.

This is to Certify that _____
is entitled to _____ Shares of the Capital Stock of the
College Transportation Co, transferable only on the Books of said Com-
pany in person or by Attorney on surrender of this Certificate.

In Witness Whereof, the said Company has caused this Certificate
to be signed by the President and Secretary.



 Secretary.

_____ 189__

 President.

UNITED STATES

STATE OF MASSACHUSETTS.

OF AMERICA,

No. _____

CITY OF BOSTON.

\$1,000.

COLLEGE RAILROAD BOND

The College Railroad Company hereby acknowledges itself bound to bearer in the sum of One Thousand Dollars (College Currency), which sum it promises to pay at the

COLLEGE NATIONAL BANK, City of _____
on the first day of January, A. D. 1907, with interest thereon at the rate of 4 per cent. per annum, payable semi-annually on the first day of July and January of each year, on presentation and surrender of the annexed coupons as they severally become due.

This Bond is one of a series of Bonds, aggregating \$100,000, numbered from 1 to 100 issued under authority of the Manager of the Actual Business Department of the _____ College.

IN TESTIMONY WHEREOF The College Railroad Company has caused this Bond to be executed, its corporate seal to be hereto affixed, and these presents to be signed by its President and Secretary.

President.

Secretary.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of January, 1907, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of January, 1906, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of January, 1906, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of July, 1906, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of January, 1905, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of July, 1905, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of January, 1904, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of July, 1904, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of January, 1903, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of July, 1903, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of January, 1902, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of July, 1902, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of January, 1901, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of July, 1901, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of January, 1900, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of July, 1900, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of January, 1899, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of July, 1899, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of January, 1898, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

COLLEGE RAILROAD CO.
will pay the bearer at the College National Bank on the first day of July, 1898, TWENTY DOLLARS for interest on Railroad Bond.
..... Pres.

Date _____ 19____ Am't bro't forward, _____ Deposited _____ To <u>J. A. Comstock & Co.</u> For <u>Paid of Store</u> <u>one month</u> No. <u>1</u>	Date _____ 19____ Am't bro't forward, _____ Deposited _____ To <u>H. C. Clark</u> For <u>Signatures</u> No. <u>2</u>	Date _____ 19____ Am't bro't forward, _____ Deposited _____ To <u>O. M. Powers</u> For <u>Indue.</u> No. <u>3</u>
2000 60 <hr/> 1940 29 60 <hr/> 1910 40 837 41 <hr/> 1072 99	City State and Date _____ 19____ No. <u>1</u> College National Bank, Pay to the order of <u>J. A. Comstock & Co.</u> <u>Sixty</u> DOLLARS. (Your name)	City State and Date _____ 19____ No. <u>2</u> College National Bank, Pay to the order of <u>H. C. Clark</u> <u>Twenty - nine</u> DOLLARS. (Your name)
City State and Date _____ 19____ No. <u>3</u> College National Bank, Pay to the order of <u>O. M. Powers</u> <u>Eight Hundred Thirty-seven</u> DOLLARS. (Your name)		

We present above a page from a Check Book, which illustrates in a practical manner the method of keeping a stub account in books containing more than one check to the page. It is always preferable in writing a Check, Note or Draft to fill out the stub first in order that you may have a complete record of the transaction before the paper passes from your hands. If an error is made, destroy the Check and write the word "Void" across the stub.

Review Questions.

Continued from Page 63.

187. What is an Indorsement? 188. How many kinds of Indorsements in general use? 189. Name them. 190. What is an Indorsement in Blank? 191. What is an Indorsement in Full? 192. What is an Indorsement Without Recourse? 193. What is a Conditional Indorsement? 194. What is a Restrictive Indorsement? 195. Where should a note be indorsed? 196. Should a note or check payable to bearer be indorsed? 197. What is a Special Column Journal? 198. Do all firms keep their books in the same manner? 199. Should the book-keeper be able to plan new forms for himself? 200. How is the Six Column Journal Ruled? 201. In the form herein given, for what accounts are the columns used? 202. On which side is the cash received, and the merchandise purchased, entered? 203. On which side is the cash paid, and the merchandise sold, entered? 204. For what purpose is the "Accounts Posted" Column used? 205. What is the advantage of having Cash and Merchandise columns in this Journal? 206. When and where are the footings of these accounts posted? 207. Which accounts are posted directly to the Ledger? 208. When is the check mark used, and when is the page of the Ledger entered? 209. What do you understand by a Twelve Column Journal, and how is it ruled? 210. To what accounts are the columns most generally given in this Journal? 211. Is there a book in use known as the Sixteen Column Journal? 212. What is a Bills Receivable and Bills Payable Book? 213. Are these books principal or auxiliary books? 214. How are these books generally bound? 215. How can you prove the correctness of the Six Column Journal? 216. How prove the correctness of the Twelve Column Journal? 217. What is Bank Discount? 218. What is True Discount? 219. What is Cash Discount? 220. What is Trade Discount? 221. What is the best and most common way of making a remittance in payment for a bill of goods or account? 222. What is an application for Bank Draft? 223. How should a check be drawn when given in payment for a Bank Draft? 224. To whose order should a Bank Draft be drawn and how endorsed? 225. Why should it be indorsed in this manner? 226. Will a New York or Chicago Draft pass at par anywhere in the United States? 227. If you were to make a remittance to some point west of the Rocky Mountains, on what city would you purchase your draft? 228. Do banks usually charge anything for making out a Draft? 229. What do you understand by the Course of Exchange? 230. What determines the cost of Exchange? 231. What is a Stock Certificate? 232. Can a Stock Certificate be sold and transferred? 233. How is this transfer made? 234. When a transfer is made, why should the old certificate be exchanged for a new one? 235. What is a Bond? 236. What is a Coupon? 237. When are these coupons detached? 238. What is a Registered Bond? 239. What is a Government Bond? 240. How are bonds transferred? 241. Is a Registered Bond payable to bearer? 242. What do you understand by the par value of Stocks and Bonds? 243. When are they above par? 244. When below par? 245. What is the market value of Stocks and Bonds? 246. What is a Stock Broker? 247. When you purchase or sell stocks through a broker, what does he usually charge for his services?

Continued on Page 114

FORMS TO BE USED
WITH
SET No. 4.

HARDWARE PRICE LIST.

	No. 1.	No. 2.	No. 3.	No. 4.	No. 5.	No. 6.
Hand Saws,	16.00	18.00	17.00	16.50	16.55	16.45
Plain Nail Hammers,	5.30	6.00	5.50	5.40	5.25	5.50
Railroad Picks,	13.00	12.50	12.75	12.90	13.25	11.95
Long Handle Spades,	12.50	13.00	12.75	12.60	13.00	13.15
Gate Hinges,	7.50	7.60	7.55	7.45	7.50	7.55
Log Chain,	.07	.06	.06½	.06	.07	.06
Mortise Locks,	7.50	7.60	7.55	7.70	7.45	7.50
Wire Rope,	.14	.15	.16	.15½	.15	.14
Bar Iron,	45.00	47.50	50.00	48.00	51.00	51.50
8d. Wire Nails,	.04	.05	.06	.05	.04	.06
Tack Hammers,	1.10	1.15	1.20	1.25	1.05	1.15
Grindstones,	14.00	14.50	14.25	14.35	13.90	13.95

Wholesale Hardware Business.

In this Set the Books of Original Entry are the

INVOICE BOOK, SALES BOOK, CASH BOOK

and

DAY BOOK-JOURNAL.

The Auxiliary Books used are the

BILLS RECEIVABLE and BILLS PAYABLE BOOKS.

In wholesale houses of any class doing an extensive business, it would be impossible to make a Day Book entry for each transaction. For this reason different books are kept for each class of transactions.

All purchases of merchandise are entered in a purchase or Invoice Book, all sales in a Sales Book, all cash items in a Cash Book, and all transactions that cannot be entered in either of the above books, in a Day Book Journal. These are all books of original entry, and the bookkeeper posts directly from them to the Ledger.

In most houses various devices are in use to economize time and to prevent repetition of entries.

Invoice Book.

This is a debit book, and in it are entered all purchases of merchandise. The usual manner of keeping an Invoice Book is to paste all invoices into a book provided for that purpose, in such a manner that they in themselves will constitute a record of the transactions with all of the particulars concerning them. In this set the student may enter in the Invoice Book the name of the person or firm from whom the purchase was made, together with the amount and number of the Invoice. All invoices should be filed as in the past so that they can be referred to at any time.

Sales Book.

This is a credit book, and in it are entered all sales of merchandise. As the student will have no other record of each sale except the one he makes himself, it will be necessary for him to make a complete record of the transaction. This is done by first entering the purchaser's name followed by an itemized list of all articles sold, together with the price of each and the total amount of the sale.

Special Column Cash Book.

In this book an extra column is provided on each side for the Cash Discounts. The Cash Discount should be entered in these columns and the net amounts in the first money column. The footing of the Discount column on the debit side should be posted to the Debit of Cash Discount in the Ledger, while the footing from the credit side should be posted to the credit of the same account.

Day Book-Journal.

There are a few transactions, the nature of which will not admit of them being entered in either the Invoice Book, Sales Book or Cash Book. In order that these may also be entered in a book of original entry before posting, we have introduced into this set the already familiar Day-Book Journal.

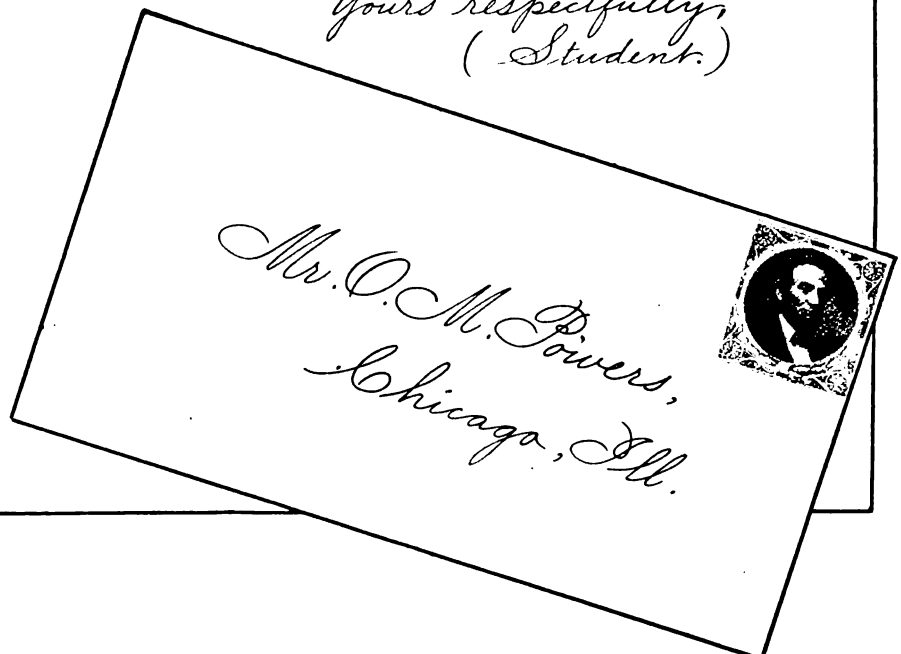
Form for Business Letter to be used when Ordering Goods. (B33).

(City, State and Date) 19
 Mr. O. M. Powers,
 Chicago, Ill.
 Dear Sir

Please send by fast freight,
 and draw on me at 10 days' sight
 for same

50 doz. Plain Nail Hammers
 15 " Railroad Picks
 12 " Long-handle Spades
 6 " Mortise Locks
 15 " Tack Hammers

Yours respectfully,
 (Student.)



Explanation of Entries for 31, and 32, Days, showing Forms of Books Used.

Thirty-first Day.

A.

Enter on the debit side of Cash Book and post to the credit of your own and partner's account. Make no entry for the deposit.

B.

Enter on the credit side of C. B. and post to the debit of expense.

C.

Enter in the Invoice Book and on the credit side of C. B. and check (✓) both entries. As the I. B. is a debit book it, will be seen that we have an equal debit and credit without posting to the Ledger, we therefore check the entries. From our Invoices which are filed, we have the best kind of record of our purchases, we therefore do not itemize the entries in the Invoice Book.

D.

Enter in I. B. and post to the credit of H. C. Clark. In this case we do not have an equal debit and credit without posting to the Ledger, we therefore do not check the entries.

E.

Enter in the Sales Book and on the debit side of the C. B. with the 2 per cent. C. D. in the first column and the remainder or net in the second column.

As we have no other record except that which we make ourselves, all entries in the Sales Book should be itemized.

F.

Enter in the S. B. and post to the debit of T. T. Wilson.

G.

Enter in the Invoice Book and check the entry. Make an entry in the Day Book Journal debiting Mdse. and crediting Bills Payable; check the Mdse. and post the Bills Payable to the credit of its account in the Ledger. Also record the note in the Bill's Payable Book.

H.

Enter in the Sales Book and check the entry. Make an entry in the Day Book Journal debiting Bills Receivable and crediting Mdse. Post the Bills Receivable and check Mdse. Enter in the Bills Receivable Book.

I.

Make two entries on the debit side of Cash Book for face of note and interest. Enter the discount on the credit side. Post the entries.

J.

Enter in the Invoice Book, less the 5 & 3, trade discount. Post the entire net to the credit of C. A. Bliss. Enter the Cash on the credit side of Cash Book and post to the debit of C. A. Bliss.

K.

Enter in the Sales Book, less the 4 & 3, and post the net to the debit of O. M. Powers. Enter the Cash on the debit side of Cash Book and post to the credit of O. M. Powers.

L.

Enter in Invoice Book and post the net to the credit of H. C. Clark. Enter the Cash in C. B. and post to the debit of H. C. Clark. Enter the note in the D. B. J., debiting H. C. Clark and crediting Bills Payable; post both entries. Record note in B. P. B.

M.

Enter in the S. B. and post to the debit of T. T. Wilson. Enter the Cash in C. B. and post to the credit of T. T. Wilson. Enter the note in D. B. J., debiting Bills Receivable and crediting H. C. Clark; post both entries. Record note in B. R. B.

N.

Make no entry.

Thirty-second Day.

A.

Principle the same as A, 31, day.

B.

Enter in I. B. and check the entry. Enter the Cash in C. B. and check the entry. Enter the note in D. B. J., debiting Mdse. and crediting Bills Payable; check Mdse. and post Bills Payable. Record note in B. P. B.

C.

Enter in Cash Book and post to debit of Real Estate. Enter note in D. B. J., debiting Real Estate and crediting Bills Payable; post both entries. Record note in B. P. B.

D.

Principle the same as E, 31, day.

E.

Enter net in I. B. and check the entry. Enter in D. B. J., debiting Mdse. and crediting O. M. Powers and Bills Receivable; check Mdse. and post credits. Record note.

F.

Enter in S. B. and check entry. Enter note in D. B. J. and check Mdse. Record note.

G.

Principle the same as I, 31, day.

H.

Enter in D. B. J. and post the entries.

I.

Enter in I. B. and check the entry. Enter the draft in D. B. J., debiting Mdse. and crediting Bills Payable; check Mdse. and post the credit. Record draft in B. P. B.

J.

Enter in S. B. and post to debit of E. J. Shaw & Co. Enter note in D. B. J. and post to credit of E. J. Shaw & Co.; check Mdse and record note.

K.

Enter in D. B. J., debiting Fixtures and crediting W. W. Phipps. Post both entries.

L.

Principle practically the same as L, 31, day.

M.

Enter in C. B. and post the entry.

N.

Make no entry.

INVOICE BOOK.

Date.			No.			
C 31	✓	C. A. Bliss,	Cash,	1		394 25
D 31		H. C. Clark,	On acc't,	2		1177 75
G 31	✓	W. W. Phipps,	Note 15 d. 6%,	3		1601 88
J 31		C. A. Bliss,	On acc't,	4	1046 10	
		Less 3 & 5,			82 12	963 98
L 31		H. C. Clark.	On acc't,	5	1230 15	
		Less 5 & 10,			178 37	1051 78
A 32	✓	H. C. Clark,	Cash	6		818
B 32	✓	C. A. Bliss,	Sunds. in full,	7		2399 50
E 32	✓	H. C. Clark,	Sunds. in full,	8	741 50	
		Less 3 & 5,			58 21	683 29
I 32	✓	W. W. Phipps,	Acpt. 10 d.	9		781 65
L 32		O. M. Powers,	On acc't,	10	1975 50	
		Less 5 & 10,			286 45	1689 05
		Total,				11561 13

Note:—Post the footing of the Invoice Book for the first two days, to the debit of the Merchandise account in the Ledger.

SALES BOOK.

Date.									
E	31	✓	O. M. Powers,	Cash,	No. 1.				
			5 doz. Tack Hammers,		\$ 1.10	5	50		
			7 tons Bar Iron,		45.00	315			
			9 doz. Mortise Locks,		7.50	67	50		
			250 lbs. Log Chains,		.07	17	50		
			2 doz. P. N. Hammers,		5.30	10	60	416	10
F	31		T. T. Wilson,	On acc't,	No. 2.				
			3 doz. Hand Saws,		\$16.00	48			
			1 doz. P. N. Hammers,		5.30	5	30		
			8 doz. R. R. Picks,		13.00	104			
			5 doz. L. H. Spades,		12.50	62	50		
			5 kegs 8d. Wire Nails, 500 lbs.,		.04	20		239	80
H	31	✓	E. J. Shaw & Co.,	Note 30 d., 6%,	No. 3.				
			12 doz. Tack Hammers,		\$ 1.10	13	20		
			2 kegs 8d. Wire Nails, 200 lbs.,		.04	8			
			8 tons Bar Iron,		45.00	360			
			5 doz. Mortise Locks,		7.50	37	50		
			14 doz. R. R. Picks,		13.00	182			
			6 doz. Hand Saws,		16.00	96			
			½ doz. Grindstones,		14.00	7			
			200 lbs. Wire Rope,		.14	28			
			8 doz. Gate Hinges,		7.50	60		791	70
				Forward,				1447	60

SALES BOOK.

Date.								
		Brought forward,					1447	60
K	31	O. M. Powers,	On acc't,	No. 4.				
		4 doz. Tack Hammers,		\$1.10	4	40		
		1 keg 8d. Wire Nails, 100 lbs.,		.04	4			
		7 doz. Mortise Locks,		7.50	52	50		
		4 doz. Hand Saws,		16.00	64			
		12 doz. P. N. Hammers,		5.30	63	60		
		12 doz. R. R. Picks,		13.00	156			
					344	50		
		Less 4 & 3,			23	70	320	80
M	31	T. T. Wilson,	On acc't,	No. 5.				
		5 doz. P. N. Hammers,		\$ 5.30	26	50		
		7 doz. Hand Saws,		16.00	112			
		14 doz. L. H. Spades,		12.00	175			
		15 doz. Gate Hinges,		7.50	112	50		
		9 doz. Mortise Locks,		7.50	67	50		
		8 tons Bar Iron,		45.00	360			
		2 kegs 8d. Wire Nails, 200 lbs.,		.04	8			
		15 doz. Tack Hammers,		1.10	16	50	878	
D	32	T. T. Wilson,	Cash,	No. 6.				
		5 doz. Mortise Locks,		\$ 7.50	37	50		
		300 lbs. Log Chains,		.07	21			
		4 doz. L. H. Spades,		12.50	50			
		40 doz. R. R. Picks,		13.00	520			
		12 doz. P. N. Hammers,		5.30	63	60		
		5 doz. Hand Saws,		16.00	80			
			Forward,		772	10	2646	40

SALES BOOK.

Date.									
			Brought forward,					2646	40
D	32	T. T. Wilson,	Bro't forward, No. 6.	772	10				
		5 ½ doz. Grindstones,	\$14.00	77					
		7 doz. Gate Hinges,	7.50	52	50				
		1 doz. Tack Hammers,	1.10	1	10				
		5 kegs 8d. Wire Nails, 1500 lbs.,	.04	20				922	70
F	32	✓ O. M. Powers,	Note 30 d., 6%, No. 7.						
		15 doz. Hand Saws,	\$16.00	240					
		22 P. N. Hammers,	5.30	116	60				
		30 doz. R. R. Picks,	13.00	390					
		50 doz. Tack Hammers,	1.10	55					
		20 L. H. Spades,	12.50	250				1051	60
J	32	E. J. Shaw & Co.,	On acc't, No. 8.						
		24 doz. Grindstones,	\$14.00	336					
		24 doz. Tack Hammers,	1.10	26	40				
		8 tons Bar Iron,	45.00	360					
		40 doz. Gate Hinges,	7.50	300					
		250 lbs. Log Chains,	.07	17	50				
		9 doz. L. H. Spades,	12.50	112	50			1152	40
		Total,						5773	10

NOTE—Post the footing of the Sales Book for the first two days to the credit of the Merchandise account in Ledger.

DAY BOOK-JOURNAL.

Date.						
G 31	✓	Mdse., B. Pay.,	W. W. Phipps, Inv. No. 3 Note 15 d., 6%,	1601 88		1601 88
H 31		B. Rec.,	Note 30 d., 6%,	791 70		
	✓	Mdse.,	E. J. Shaw & Co., S. No. 3			791 70
L 31		H. C. Clark, B. Pay.,	On acc't, Note 10 d., 7%,	270		270
M 31		B. Rec., T. T. Wilson,	Note 15 d., 7%, On acc't,	390		390
B 32	✓	Mdse., B. Pay.,	C. A. Bliss, Inv. No. 7 Note 30 d., no int.,	959 80		959 80
C 32		Real Estate, B. Pay.,	Lot. No.—, B. No.— Mortgage Note, 15 d., 6%,	2000		2000
E 32	✓	Mdse., O. M. Powers, B. Pay.,	H. C. Clark, Inv. No. 8 Draft, 10 d. sight, Note 15 d., 6%,	683 29		120 80 562 49
F 32		B. Rec.,	Note 30 d., 6%,	1051 60		
	✓	Mdse.,	O. M. Powers, Sale No. 7			1051 60
H 32		C. A. Bliss, T. T. Wilson,	On acc't, Draft at sight,	200		200

DAY BOOK-JOURNAL.

Date.						
I	32	✓	Mdse., B. Pay.,	W. W. Phipps, Inv. No. 9 Acct. 10 d. sight,	781 65	781 65
J	32		B. Rec., E. J. Shaw & Co.,	Note 30 d., 6%, On acc't,	550	550
K	32		Fixtures, W. W. Phipps,	Office Furniture, On acc't,	79 25	79 25
L	32		O. M. Powers, B. Rec.,	On acc't, E. J. Shaw & Co.'s note,	550	550

SPECIAL COLUMN CASH-BOOK.

CASH RECEIVED.

Date.									
A	31	(Your name)	Investment,					3500	
A	31	Partner,	"					2500	
E	31	✓ Mdse.	O. M. P.'s S. No. 1,	8	32			407	78
I	31	Bills Rec.,	Shaw & Co.'s Note,					791	70
I	31	Int.,	" "					4	35
K	31	O. M. Powers,	On acc't,					200	
M	31	T. T. Wilson,	" "					230	
D	32	✓ Mdse.,	T. T. W.'s S. No. 6,	18	45			904	25
G	32	B. Rec.,	O. M. Powers Note,					1051	60
G	32	Int.,	" " "					5	78
O	32			26	77				
		Total receipts,							9595 46
									9595 46
		Balance	On hand,						1583 37

CASH PAID.

Date.						
B	31	Expense,	One mo. rent,		110	
C	31	✓ Mdse.,	C. A. Bliss Inv. No. 1	7 89	386	36
I	31	Disc't,	Shaw & Co.'s Note,		5	11
J	31	C. A. Bliss,	On acc't,		650	
L	31	H. C. Clark,	" "		350	
A	32	✓ Mdse.,	H. C. C.'s Inv. No. 6,	16 36	801	64
B	32	✓ " "	C. A. B.'s " " 7,		1439	70
C	32	Real Estate,	L. No.—, B. No.—,		3000	
G	32	Disc't,	O. M. Powers Note,		6	78
L	32	O. M. Powers,	On acc't,		750	
M	32	Col. Trans. S.	5 shares,		512	50
O	32			24 25		
O	32		Total payments,		8012	09
		Balance	On hand,		1583	37
					9595	46

GRAND

Folio.	LEDGER ACCOUNTS.		TRIAL BALANCE.				INVENTORIES.	
	Student,			3500				
	Partner,			2500				
	Expense,	110					102	66
	H. C. Clark,	620		2229	53			
	Mdse.,	11561	13	5773	10		5300	28
	Cash,	9595	46	8012	09			
	T. T. Wilson,	1117	80	320				
	Bills Pay.,			6175	82			
	Bills Rec.,	2783	30	2393	30			
	Int. and Disc't,	11	89	10	13			
	C. A. Bliss,	850		963	98			
	O. M. Powers,	1620	80	2009	85			
	Real Estate,	5000					5000	
	E. J. Shaw & Co.,	1152	40	550				
	Fixtures,	79	25				78	
	W. W. Phipps,			79	25			
	Col. Trans. Stock,	512	50				515	
	Cash Disc't,	26	77	24	25			
		35041	30	35041	30			
	Student's $\frac{1}{2}$ Net Loss,							
	Partner's $\frac{1}{2}$ " "							
	Student's Net Worth,							
	Partner's " "							

BALANCE.

LOSSES.		GAINS.		STUDENT.		PARTNER.		RESOURCES.		LIABILITIES.	
					3500		2500				
7	34							102	66		
										1609	53
487	75							5300	28		
								1583	37		
								297	80		
										6175	82
								390			
1	76										
										113	98
										389	05
								5000			
								602	40		
								78			
1	25									79	25
		2	50								
2	52										
		290	57	290	57						
		207	55			207	55				
500	62	500	62								
				3209	43					3209	43
				3500	3500						
						2292	45			2292	45
						2500		13869	51	13869	51

London Exchange.

Wholesale merchants doing business in our large cities, and especially in those on the seaboard, import large quantities of merchandise from foreign countries. Among the foreign countries claiming a portion of our patronage, Great Britain perhaps has the largest share. It is very important, then, that our American bookkeepers acquaint themselves thoroughly with the subject of London Exchange, as London is the great financial centre of Great Britain. In order that the student may have the subject illustrated to him in a practical manner, we have arranged a series of transactions, which, if followed closely, will give him a correct idea of how money is transmitted through the medium of the Bill of Exchange from this country to Great Britain.

Under I., 36th day, we have announced that C. A. Bliss, who has up to the present time been doing business in New York, has opened a branch house in London, England, where he will be enabled to sell a certain line of goods at about 30 per cent. less than in this country. Those who purchase from the London house will, of course, be compelled to pay an import duty, but after doing this there will still be a balance in favor of doing business with London.

The student, after ordering goods from the London house, will in due time receive an Invoice, made out in the following manner:

<i>London Eng. (Date)</i> 19__																			
<i>M</i> (Your name) _____																			
To <i>C. A. Bliss</i> _____ Dr.																			
Terms _____																			
<i>75 doz. Gate Ninges £ 1-1-9</i> <i>65 " P. Nail Hammers 15-10</i> <i>85 " Tack Hammers 3-3</i>	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <tr> <td style="width: 15%;">81</td> <td style="width: 15%;">11</td> <td style="width: 15%;">3</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> <tr> <td>51</td> <td>9</td> <td>2</td> <td></td> <td></td> <td></td> </tr> <tr> <td>13</td> <td>16</td> <td>3</td> <td>146</td> <td>16</td> <td>8</td> </tr> </table>	81	11	3				51	9	2				13	16	3	146	16	8
81	11	3																	
51	9	2																	
13	16	3	146	16	8														

After finding the equivalent of the above Invoice in United States money at \$4.86 to the £, and paying the duties at 20 per cent. advalorem, the student will purchase a set of Exchange on London for the amount of the Invoice, less 3 per cent. Cash Discount, and remit the same to C. A. Bliss in full payment of the goods.

Explanation of the Transaction under a 37 Day.

Enter the Invoice in the Invoice Book for its full equivalent in United States money and check the entry. Enter the cash paid for the set of Exchange on the credit side of the Cash Book with the Cash Discount and the net amount in their respective columns the same as if you had paid Cash for the purchase regardless of duties, freight and exchange and check the entry. Enter the duties and freight in the Invoice Book separately, also on the credit side of Cash Book and check the entry. Enter the premium and brokerage on the credit side of the Cash Book and post to the debit of Exchange.

Exchange for £ 142-8-7 City, State and Date. 190
Sixty days after sight of this First of
 Exchange, Second and Third of same tenor and date unpaid.
 pay to the order of (Your name)
One Hundred Forty two $\frac{43}{100}$ Pounds sterling.
 Value received, and charge to
 To LONDON EXCHANGE BANK, G. A. COMSTOCK & CO., Bankers.
 London, Eng. E. L. Bunker Cashier.

Exchange for £ 142-8-7 City, State and Date. 190
Sixty days after sight of this Second of
 Exchange, First and Third of same tenor and date unpaid.
 pay to the order of (Your name)
One Hundred Forty two $\frac{43}{100}$ Pounds sterling.
 Value received, and charge to
 To LONDON EXCHANGE BANK, G. A. COMSTOCK & CO., Bankers.
 London, Eng. E. L. Bunker Cashier.

Exchange for £ 142-8-7 City, State and Date. 190
Sixty days after sight of this Third of
 Exchange, First and Second of same tenor and date unpaid.
 pay to the order of (Your name)
One Hundred Forty two $\frac{43}{100}$ Pounds sterling.
 Value received, and charge to
 To LONDON EXCHANGE BANK, G. A. COMSTOCK & CO., Bankers.
 London, Eng. E. L. Bunker Cashier.

Dealing in Real Estate.

In this and the preceding set the student has an opportunity to buy, sell and lease Real Estate. If he were conducting a regular Real Estate business he would keep a set of Real Estate books, but as it is conducted here as a side issue only, the transactions can easily be carried into the regular books.

Lease.

A lease is a written contract in which the owner of Real Estate, for a stated consideration, agrees to let to some other person certain described premises for a stated period of time. The owner of property leased is called the lessor, while the person to whom the property is leased is called the lessee. The lease should be signed by both the lessor and lessee, and both parties should retain a copy of same.

Deed.

A deed is a legal instrument signed, sealed and delivered, in which the owner of Real Estate transfers forever all his rights and privileges concerning same. The person who makes the transfer is called the Grantor, while the person to whom the transfer is made is called the Grantee. A Deed should be signed by the grantor and is held by the Grantee.

Mortgage.

A Mortgage is a deed given as security for the payment of a debt or obligation. It is an actual transfer of the title of the property, with a clause stating that if the debt be paid as per agreement, the transfer will be of no effect. The person who gives the Mortgage is called the Mortgagor, while the person to whom the Mortgage is made payable is called the Mortgagee. A Mortgage is signed by the Mortgagor and is held by the Mortgagee.

Discharge.

When a Mortgage is fully paid it should be "Discharged" by the Mortgagee or his attorney. This is done by giving a Release Deed which sets forth the fact that all requirements in regard to payment have been fulfilled releasing the Mortgagor from all further obligations in regard to same.

Abstract of Title.

This is a brief statement of all the particulars concerning every transfer of Real Estate. When a person sells or mortgages a piece of Realty he must furnish a complete history to the grantee or mortgagee of every transfer of same, which has taken place back to the time it was owned by the government. There are men who make it a business to furnish abstracts who, for their services, charge a fee for every extension made. They keep what is called an Abstract office.

How to Make Collections by Draft.

If you have a customer doing business in another city, who fails to meet his obligations on time, you will find that one of the most effective ways of collecting from him is by means of a Draft. It is always advisable, however, to first send him a statement with the simple request "Please remit" stamped or written on its face. If he pays no attention to this, send another request for a remittance, stating that if you do not hear from him by a certain date you will take the liberty to draw on him for the amount of the account. If you do not hear from him by the date mentioned, draw a draft to the order of "Myself" or "Your Name" and indorse the same as follows:

Pay to
College Bank
or order,
For Collection.
(Your name.)

The above endorsement does not transfer the title of the paper to the Bank, but simply gives them the power to collect same. This they will do by sending the draft to a Bank doing business in the city where your debtor resides. If he does not pay the draft it will be returned to you with an indorsement stating the reason why. If the debt is a just one and there is no good reason why he should not pay same, he will be very apt to do so, as failure to honor a draft places a business man in an unenviable position and causes his fellows to suspect, and with good reason, that he is financially embarrassed.

If you wish the person on whom you draw to pay the Exchange and cost of collection, you should add to the draft "With Exchange," then the Bank will collect all costs from the debtor.

It does no harm to a person's financial standing to have a draft drawn on him, providing he honors the same by acceptance and payment; in fact, business men sometimes request that their creditors make collection in this manner, so that all of their business may come through the Bank, and he may leave instructions there to pay certain drafts when received.

Paid Notes and Drafts.

We are frequently asked by our students, and sometimes by business men, "What shall we do with the Notes which we have paid and taken up?" In answer to this, we will say keep them; do not even tear off the signature, but file them away for future reference.

Take a Receipt.

Although it may seem an unimportant matter at the time, it is always better and safer to take a receipt for the payment of money.

The receipt should be dated and the purpose for which the money is paid should be clearly stated as: "on account," "in full of account" or "for one year's tuition," etc.

Advantage of Taking a Note.

There are always certain advantages in taking a note from a debtor instead of letting the debt run on account. By taking a Note with interest you can have the same discounted at the Bank and thus realize at once upon the debt. A note is much more easily collected than an account, for an account must be verified by oath, while a note is full evidence in itself of the correctness of the debt. A debtor is more apt to pay a note than an account, as failure to do so causes the note to be protested, which action injures his financial standing.

Questions for Class Review.

Continued from Page 88.

247. Name the books of original entry in the wholesale business. 248. What are the names of the auxiliary books used? 249. In which book are all purchases of merchandise entered? 250. What is the usual method of keeping an Invoice Book? 251. Define this book. 252. Is the Invoice Book a debit or a credit book? 253. In which book are the sales entered? 254. How should the sales be entered in the Sales Book? 255. Is the Sales Book a debit or a credit book? 256. Where is the total footing of the Invoice Book posted? 257. Where is the total footing of the Sales Book posted? 258. How is the special column Cash Book ruled? 259. For what purpose is the extra column used? 260. Where are the footings of the Discount columns posted? 261. What entries are made in the Day Book Journal? 262. In the wholesale set, when do we check and when do we postmark the entries? 263. What do we understand by London Exchange? 264. What is the equivalent in United States money of 36*l* 14*s* 4*d* at \$4.86 per *l*? 265. At the same rate, what is the equivalent in English money of \$584.68? 266. What is the cost in English money of 84 doz. Tack Hammers at 3*s* 3*d* per doz.? 267. What is the cost in United States money of 96 doz. Gate Hinges at 1*l* 1*s* 9*d* per doz. 268. What is an import duty? 269. What do we understand by 20 per cent. *advalorem*? 270. What is a Lease? 271. Who is the Lessor and who the Lessee? 272. How should the lease be signed? 273. What is a Deed? 274. Who is the Grantor and who the Grantee? 275. What is a Mortgage? 276. Who is the Mortgagor and who the Mortgagee? 277. What is an Abstract? 278. What entry would you make in the Wholesale Books if you should purchase goods invoiced at \$500 on which there is a Cash Discount of 2 per cent.? 279. If you should sell goods for \$100 and receive in payment Cash \$400 and the balance on account, what entry? 280. If you should purchase merchandise for \$800 and give in payment your note for \$400 and cash \$400, what entry? 281. If you should sell merchandise for \$900 and received in payment a note for \$500, cash for \$200 and the balance on account, what entries? 282. If you should take a note of \$100 to the Bank and have it discounted, receiving \$998 as the proceeds, what entries? 283. If you should purchase for Cash a draft on New York for \$800 and pay premium at 1-4 per cent., what entries? 284. If your partner should draw \$100 for private use, what entry? 285. Suppose you should sell a one-half interest in your business for Cash, what entry? 286. How would you find the net worth of your business, if you were about to sell? 287. What is one of the most effective ways of collecting an account? 288. When you draw on a person owing you on account, how should the draft be drawn and how endorsed? 289. If the draft is not paid when presented, what will be come of it? 290. Will it harm a debtor's financial standing not to pay a draft, providing he has no good reason for not doing so? 291. Will it harm a debtor's financial standing to have a draft drawn on him, providing he honors same? 292. What should we do with the paid notes and drafts? 293. Should a receipt always be taken in payment of money? 294. How should a receipt be written? 295. Is there any advantage in taking a note for a debt? 296. Name some of the advantages.

Continued on page 138.

FORMS TO BE USED
WITH
SET NO. 5.

Commission, Consignment and Shipment.

Object.

The object of this set is to illustrate in a simple manner the books used in an ordinary shipping and commission business.

Books Used.

The books used in this set are as follows: Commission and Sales Book, Cash Book, Day Book Journal and Ledger.

Commission and Sales Book.

The forms of Commission and Sales Book used by different merchants vary to some extent, but in the main they are all practically the same.

The form which we here present is a simple one; yet it is comprehensive and practical, answering every purpose for which it is intended.

This book is used for keeping a record of all consignments and an itemized list of the sales from same, together with the commission, freight, cartage and other charges.

No Receiving Book is necessary when this form of Commission and Sales Book is used.

Cash Book, Day Book-Journal and Ledger.

These books are practically the same as those used in preceding sets.

The use of them in connection with this set, together with the Day Book Journal, are fully explained in detail in the following explanations of entries.

Explanation of Entries for 41, and 42, days, Showing Forms of Books Used.

Forty-first Day.

A.

Enter the Cash Investment on the debit side of the Cash Book and post to credit of your own account in the Ledger. Enter the Store and Lot Investment in the Day Book Journal and post to the Ledger.

B.

Make no entry.

C.

Make no entry for deposits except on the stub of your check book.

D.

Enter on the credit side of the Cash Book and post to the debit of Insurance.

E.

Enter on the credit side of C. B. and post to the debit of Expense.

F.

Enter on the credit side of C. B. and post to the debit of Fixtures.

G.

Enter on the left hand or debit page of the Commission and Sales Book under Sales for O. M. Powers, Lot No. 1, naming some railroad entering your city, following with a list of the goods received.

Enter the freight on debit side of C. and S. B. and credit side of C. B. and check (✓) both entries.

H.

Enter on right hand or credit side of C. and S. B. and debit side of C. B. and check the entries.

I.

Enter on credit side of C. and S. B. and check the entry also in the D. B. J., posting the debit entry and checking the credit entry.

J.

Enter in C. B. and post the entries.

K.

Enter in C. and S. B. under sales for C. A. Bliss, Lot No. 2. The principle of this entry is the same as G. 41.

L.

Principle the same as H. 41.

M.

Enter on credit side of C. and S. B. and post to the debit of T. T. Wilson.

N.

In the C. and S. B. on the credit page, under Lot No. 1, can now be seen a record of the sales of all goods received from O. M. Powers under G. 41, and sold by you as his agent, to different parties. Add up the sales, computing your commission on same, at 2 1-2% and enter on debit side of C. and S. B. and post to the credit of Commission. Now find the Net Proceeds by adding all charges, including commission, as shown on debit side of C. and S. B., and subtract same from total sales.

Enter the Net Proceeds on the debit side of C. and S. B. and credit side of C. B., checking the entries. Balance and rule up Lot No. 1.

O.

Enter on debit side of C. and S. B. and credit side of C. B., checking the entries.

P.

Principle the same as G. 41.

Q.

Principle the same as H. 41.

R.

Principle the same as M. 41.

S.

Enter on debit side of C. and S. B. and credit side of C. B., checking the entries.

T.

Principle the same as H. 41.

U.

Principle the same as N. 41.

V.

Do not rule up C. B.

Forty-second Day.

Explanation of entries, the principles of which have not already been explained.

B.

In the commission business the Shipper or Consignor must pay all expenses arising from the remittance of money constituting the Net Proceeds of his shipments.

The exact amount which C. A. Bliss will be entitled to after taking out the cost of the draft, can be found by dividing the Net Proceeds of his shipment, \$2,187.60, by \$1.00125.

The result of this division will give the Face of the draft, and the difference between the Face and the Net Proceeds will give the cost of Exchange.

Enter both the Face of the draft and the Exchange on same, on the credit side of C. B., and post both entries to the debit of C. A. Bliss.

F.

Enter in the D. B. J. and post to the Ledger.

H.

Enter in the D. B. J. and post to the debit of "Sh't to G. L. Howe." Credit Merchandise.

Note:—Some merchants use a Shipping Ledger in which they enter all shipments of goods. We do not consider this an important or necessary book, however, and enter all shipments in the Regular Ledger.

L.

Enter on the credit side of the C. and S. B. and post to the debit of E. J. Shaw & Co. for the full amount.

Enter the Cash on the debit side of the C. B. and post to the credit of E. J. Shaw & Co.

T.

Balance and rule up the C. B.

TABLE OF WEIGHTS.

In the following set the weight of all articles of Merchandise, shipped to be sold on Commission, is computed on the following basis:

1 brl. Flour	196 lbs.
1 " N. O. Sugar	200 "
1 " W. Apples	140 "
1 " Cider Vinegar	300 "
1 bu. Potatoes	60 "
1 box Boston Crackers	20 "
1 " Lemons	100 "
1 " German Soap	40 "
1 sack Rio Coffee	140 "
1 doz. Eggs	2 "

Joint Account.

In goods received to be sold on joint account, there is an agreement between the consignor and consignee by which the consignee is to share a portion of the gains or losses. Formerly it was customary for the consignee to charge commission on sales made in this manner, but this has in a great measure been done away with.

COMMISSION & SALES BOOK.

SALES FOR ACCOUNT OFDigitized by Google

O. M. POWERS, LOT NO. 1.

H	41	✓	T. T. Wilson,	Cash.				
			20 brls. Flour,		\$ 4.00	80		
			40 " N. O. Sugar,		12.00	48		128
I	41	✓	E. J. Shaw & Co.,	30 d. Note at 6%.				
			10 brls. Flour,		\$ 4.00	40		
			5 " N. O. Sugar,		12.00	60		
			10 boxes Boston Crackers,		1.80	18		118
M	41		T. T. Wilson,	On acc't,				
			10 brls. Flour,		\$ 4.00	40		
			3 " N. O. Sugar,		12.00	36		
			7 " W. Apples,		3.00	21		
			10 boxes Boston Crackers,		1.80	18		
			35 " Lemons,		8.20	287		402
								648

C. A. BLISS, LOT NO. 2.

L	41	✓	W. W. Phipps,	Cash.				
			160 lbs. Butter,		\$.21	33	60	
			35 sacks Rio Coffee, 4900 lbs.,		.28	1372		1405 60
Q	41	✓	E. J. Shaw & Co.,	Cash.				
			240 lbs. Sperm Candles,		.28			67 20
T	41	✓	T. T. Wilson,	Cash.				
			30 sacks Rio Coffee, 4200 lbs.,		.28	1176		
			35 boxes German Soap, 1400 lbs.,		.08	112		1288
								2760 80

SALES FOR ACCOUNT OF

P	41Railroad.			
		40 boxes Lemons,			
		75 brls. Cider Vinegar, 2250 gals.,			
		370 doz. Eggs,			
		350 bu. Potatoes,			
		540 lbs. Butter,			
	✓	Cash,	Freight,	39	02
	✓	"	Cartage,	3	50
S	41	✓	Advance,	350	
E	42	Commission,	At 2%,	25	16
		Cooperage,		2	40
		H. C. Clark,	Net proceeds,		420 08
					838 12
					1258 20

SALES FOR ACCOUNT OF

C	41Railroad.			
		125 doz. Eggs,			
		140 lbs. Butter,			
		90 boxes German Soap, 3600 lbs.,			
		52 bu. Potatoes,			
	✓	Cash,	Freight,	10	67
		Commission,	At 2%,	7	63
		Storage,		2	30
	✓	Cash,	Net proceeds,		20 60
					361 10
					381 70

H. C. CLARK, LOT NO. 3.

R	41	W. W. Phipps,	On acc't,					
		20 boxes Lemons,		\$8.20	164			
		30 brls, Cider Vinegar, 900 gal.,		.20	180			
		240 lbs. Butter,		.21	50	40	394	40
A	42	✓ E. J. Shaw & Co.,	30 d. Note.					
		10 boxes Lemons,		\$8.20	82			
		45 brls. Cider Vinegar, 1350 gal.,		.20	270			
		170 doz. Eggs,		.14	23	80	375	80
D	42	✓ W. W. Phipps,	Cash.					
		10 boxes Lemons,		\$8.20	82			
		200 doz. Eggs,		.14	28			
		350 bu. Potatoes,		.90	315			
		300 lbs. Butter,		.21	63		488	
							1258	20

O. M. POWERS, LOT NO. 4.

G	42	✓ E. J. Shaw & Co.,	Cash.					
		75 doz. Eggs,		\$0.14	10	50		
		70 lbs. Butter,		.21	14	70		
		50 boxes German Soap, 2000 lbs.,		.08	160		185	20
J	42	W. W. Phipps,	On acc't.					
		50 doz. Eggs,		\$0.14	7			
		70 lbs. Butter,		.21	14	70		
		40 boxes German Soap, 1600 lbs.,		.08	128			
		52 bu. Potatoes,		.90	46	80	196	50
							381	70

SALES FOR ACCOUNT OF

I	42 Railroad.				
		480 brls. Flour,				
		350 " W. Apples,				
		140 " Cider Vinegar, 4200 gal.,				
		900 doz. Eggs,				
		1400 lbs. Butter,				
	✓	Cash,	Freight,	225	94	
	✓	"	Cartage,	45		
		Commission,	At 2%,	84	60	355 54
		C. A. Bliss,	Net proceeds,			3874 46

4230

SALES FOR ACCOUNT OF

M	42 Railroad.				
		580 lbs. Butter,				
		780 doz. Eggs,				
		70 brls. Cider Vinegar, 2100 gal.,				
		50 boxes Lemons,				
		140 brls. W. Apples.				
	✓	Cash,	Freight,	38	19	

C. A. BLISS, LOT NO. 5.

L	42	E. J. Shaw & Co.,	On acc't,			
		180 brls. Flour,		\$4.00	720	
		150 " W. Apples,		3.00	450	
		40 " Cider Vinegar, 1200 gal.,		.20	240	1410
N	42	W. W. Phipps,	30 d. Note, 6%.			
		150 brls. Flour,		\$4.00	600	
		80 " W. Apples,		3.00	240	
		50 " Cider Vinegar, 1500 gal.,		.20	300	1140
Q	42	T. T. Wilson,	On acc't,			
		150 brls. Flour,		\$4.00	600	
		120 " W. Apples,		3.00	360	
		50 " Cider Vinegar, 1500 gal.,		.20	300	
		900 doz. Eggs,		.14	126	
		1400 lbs. Butter,		.21	294	1680
						4230

H. C. CLARK, LOT NO. 6.

SALES FOR ACCOUNT OF

			Railroad.			
C	46	480 lbs. Butter,	\$0.19	91	20	
		350 doz. Eggs,	.16	56		
		250 brls. Winter Apples,	2.50	625		
		90 " Cider Vinegar, 2100 gal.,	.18	486		1258 20
		✓ Cash,	Freight,	94	77	
		✓ " "	Cartage,	12	50	
S	46	Loss & Gain,	Our ½ Net Gain,	37	17	144 44
S	46	O. M. Powers,	Net Proceeds,			1295 36
						1439 80

SALES FOR ACCOUNT OF

			Railroad.			
H	47	540 lbs. Butter,	\$0.19	102	60	
		240 doz. Eggs,	.16	38	40	
		120 brls. C. Vinegar, 3600 gal.,	.18	648		
		125 " Flour,	3.80	475		
		50 " N. O. Sugar,	11.50	575		1839
		✓ Cash,	Freight,	85	82	
		✓ " "	Cartage,	25	10	
P	47	Loss & Gain,	Our ½ Net Gain,	8	54	119 46
P	47	C. A. Bliss,	Net Proceeds,			1847 54
						1967

O. M. POWERS, CHICAGO, ILL., LOT NO. 16.

J	46	E. J. Shaw & Co.,	On acc't.					
		380 lbs. Butter,		\$0.21	79	80		
		150 doz. Eggs,		.14	21			
		250 brls. W. Apples,		3.00	750		850	80
Q	46	T. T. Wilson,	Cash.					
		100 lbs. Butter,		.21	21			
		200 doz. Eggs,		.14	28			
		90 brls. Cider Vinegar, 2700 gal.,		.20	540		589	
							1439	80

C. A. BLISS, LOT NO. 20.

K	47	W. W. Phipps,	On acc't.					
		240 lbs. Butter,		\$0.21	50	40		
		120 doz. Eggs,		.14	16	80		
		120 brls. C. Vinegar, 3600 gal.,		.20	720		787	20
Q	47	W. W. Phipps,	Cash.					
		300 lbs. Butter,		.21	63			
		120 doz. Eggs,		.14	16	80		
		125 brls. Flour,		4.00	500			
		50 " N. O. Sugar,		12.00	600		1179	80
							1967	

ACCOUNT SALES. (N 41).

City, State & Date 190

Sold for Account of O. M. Powers

Chicago, Ill.

By (Your name)

40 bbls Flour	\$ 4 ⁰⁰	160	—	
12 . N.O. Sugar	12 ⁰⁰	144	—	
7 . W. Apples	3 ⁰⁰	21	—	
20 boxes Boston Crackers	1 ⁸⁰	36	—	
35 . Lemons		287	—	648 —
Charges				
Freight		22	68	
Commission at 2½ %		16	20	38 88
Net proceeds, in Cash				609 12

CONSIGNMENT. (H 42).

Shipment No. 1 City State & Date 190

Mr. G. L. Howe

St. Louis, Mo.

Below please find invoice of Merchandise shipped you
per Western R. R. Car No. 14806 Freight prepaid
\$, unpaid \$ 38.06 to be sold on my account and risk.

(Your name) Shipper.

140 lbs. Butter			
150 doz. Eggs			
480 bw. Potatoes			
45 bbls. Flour			

**CASH BOOK
AND
DAY BOOK-JOURNAL.**

CASH RECEIVED.

A	41	Your name,	Investment,	2500	
H	41	✓ Lot No. 1,	S'd T. T. Wilson,	128	
J	41	Bills Rec.,	E. J. Shaw & Co's Note,	118	
J	41	Int.,	" " "		65
L	41	✓ Lot No. 2,	S'd W. W. Phipps,	1405	60
Q	41	✓ " 2,	E. J. Shaw & Co.,	67	20
T	41	✓ " 2,	T. T. Wilson,	1288	
D	42	✓ " 3,	W. W. Phipps,	488	
G	42	✓ " 4,	E. J. Shaw & Co.,	185	20
L	42	E. J. Shaw & Co.,	On acc't,	1000	
O	42	Bills Rec.,	W. W. Phipps' Note,	1140	
O	42	Int.,	" " "	6	27
Q	42	T. T. Wilson,	On acc't,	600	8926 92

Balance,

On hand,

8926 92

4376 85

CASH PAID.

D	41	Insurance,	Store No. . . . St.,	45		
E	41	Expense,	1 set B. Books,	12		
F	41	Fixtures,	Office Furniture,	79	05	
G	41	✓ Lot No. 1,	Freight,	22	68	
J	41	Disc't,	E. J. Shaw & Co.'s Note,		76	
K	41	✓ Lot No. 2,	Freight,	13	08	
N	41	✓ " 1,	Net proceeds,	609	12	
O	41	✓ " 2,	Draft at sight,	500		
P	41	✓ " 3,	Freight,	39	02	
P	41	✓ " 3,	Cartage,	3	50	
S	41	✓ " 3,	Advance,	350		
B	42	C. A. Bliss.	On acc't,	2184	87	
B	42	" "	Exchange on Draft,	2	73	
C	42	✓ Lot No. 4,	Freight,	10	67	
I	42	✓ " 5,	"	225	94	
I	42	✓ " 5,	Cartage,	45		
K	42	✓ " 4,	Net proceeds,	361	10	
M	42	✓ " 6,	Freight,	38	19	
O	42	Disc't,	W. W. Phipps' Note,	7	36	4550 07
		On hand,	Balance			4376 85
						8926 92

DAY BOOK-JOURNAL.

A	41	Real Estate, Your name,	Store and Lot No.— St. Investment,	5000		5000
I	41	Bills Rec., Lot No. 1,	Shaw & Co's 30 d. Note,	118		118
A	42	Bills Rec., Lot No. 3,	Shaw & Co's 30 d. Note,	375	80	375 80
F	42	Mdse., H. C. Clark,	Inv. No. 1, On acc't,	1230	60	1230 60
H	42	Shpt. G. L. Howe, Mdse.,	Ac't and Risk, 140 lbs. Butter, \$0.19 150 doz. Eggs, .16 480 bu. Potatoes, .70 45 brls. Flour, 3.80	557	60	557 60
N	42	Bills Rec., Lot No. 5,	W. W. Phipps' 30 d. Note,	1140		1140
P	42	Mdse., Bills Pay.,	Inv. No. 2. H. C. Clark's 30 d. Note, 6%	908	20	908 20
Q	42	Bills Rec., T. T. Wilson,	5 d. Note, 7%, On acc't,	500		500
S	42	E. J. Shaw & Co., Mdse.,	On acc't, 480 lbs. Butter, .21 170 doz. Eggs, . 240 bu. Potatoes, .90 25 brls. Flour, 4.00	440	60	440 60

FORMS TO BE USED
WITH
SET No. 6.

LUMBER PRICE LIST.

	No. 1.	No. 2.	No. 3.	No. 4.	No. 5.	No. 6.
Locust Posts, per C,	15.00	16.00	15.50	17.00	16.50	17.50
Cypress Shingles, " M,	2.50	3.75	3.25	3.60	2.75	3.00
Flat Pickets, " "	9.50	9.00	8.75	10.00	9.25	8.50
A. Stock Boards, " "	42.00	40.00	37.00	41.00	35.00	38.00
Pine Moulding, " C,	1.50	1.75	1.50	2.00	2.25	1.85
Lath, " M.	2.00	1.25	2.25	1.75	2.50	1.50
Ash Flooring, " "	35.00	36.00	32.50	34.00	30.00	27.50
Piece 4x4-18,	25.00	30.00	22.50	37.50	32.50	37.50
Piece 8x12-14,	25.00	18.50	24.50	22.00	19.00	23.50
Piece 2x4-18,	14.50	16.00	13.00	12.50	15.00	11.00
Piece 2x8-24,	27.00	24.50	28.50	22.50	25.00	26.00
Piece 6x8-36,	31.00	27.50	28.00	31.50	32.00	30.00

Wholesale and Retail Lumber Business.

In this Set the Books of Original Entry are the

Special Column Invoice Book, Special Column Sales Book, Cash Book

and

Day Book-Journal.

The great lumber industry has become so extensive that in every city and almost every town and village are men whose special business is to deal in this class of merchandise exclusively. This business requires a special set of books ruled in such a way as to set forth in a comprehensive manner the earnings of the different classes of goods handled.

The forms herein presented are the same as those in actual use by some of the largest dealers in America.

Special Column Invoice Book.

As will be seen by the forms here presented, this book is ruled with a special column for each department of the business, so that the bookkeeper can easily ascertain, at any time, the cost of each class of merchandise.

When a Trial Balance is taken, each column should be footed separately and posted to the debit of their respective accounts in the Ledger. The footings of the Lumber, Flooring, Shingle, Lath, Posts and Mdse. columns added together should equal the footing of the Total column. This will prove the accurateness of your work.

Special Column Sales Book.

In this book, which is ruled the same as the Invoice Book, are entered in their special columns the sales of the different classes of merchandise. The footings of the different columns are posted to the credit of their respective accounts in the Ledger and the accurateness of the work proven as in the Invoice Book.

Cash Book and Day Book-Journal.

These books are the same as those already shown in preceding sets and should be posted in the same manner.

Order Book.

This book is ruled like an ordinary Day Book, and in it are entered all orders for goods. As soon as the goods are shipped, the word "Entered" should be written in the left hand margin opposite the Order Book entry.

To Close the Ledger.



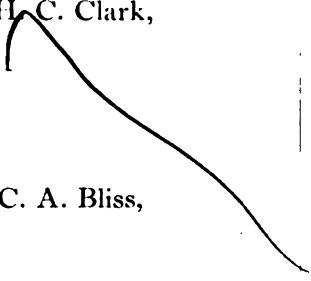
Credit the different classes of merchandise with their respective Inventories and carry the differences to the Loss and Gain account. By following this method the dealer can ascertain just how much each class of merchandise produces him each year.

Classes of Merchandise.

In this set the different Pieces and A Stock Boards are entered under the head of Lumber, Flat Pickets and Pine Moulding under the head of Merchandise, and Flooring, Shingles, Lath and Posts under their respective heads.

In the broad sense of the term, all of the above is called Merchandise.

INVOICE

DATE.	F.	BOUGHT OF	TERMS.	DESCRIPTION.	
C 51	✓	O. M. Powers, 	Cash,	150 M. Cypress Shingles, 200 M. Lath,	\$ 2.50 2.00
D 51		C. A. Bliss, 	10 days,	200 M. Flat Pickets, 50 pcs. 4x4-18, 1200 ft.,	8.75 22.50
E 51		H. C. Clark, 	On acc't,	75 M. Lath, 120 pcs. 6x8-36, 17280 ft.,	1.25 27.50
H 51	✓	C. A. Bliss,	10 d. N., 6%,	100 pcs. 4x4-18, 2400 ft., 100 M. ft. Ash Flooring,	22.50 32.50
J 51		O. M. Powers,	30 days,	50 C. Locust Posts,	15.00
Q 51		E. J. Shaw & Co.,	On acc't,	50 M. ft. A. Stock Boards, 25 pcs. 2x8-24, 800 ft., 50 " 6x8-36, 7200 " 40 " 2x4-18, 480 "	35.00 25.00 32.00 15.00
P 51	✓	W. W. Phipps,	10 d. N., 6%,	40 pcs. 4x4-18, 960 " 50 M. ft. Ash Flooring, 20 M. Cypress Shingles,	37.50 27.50 3.00

137
BOOK,

LUMBER.	FLOORING.	SHINGLES.	LATH.	POSTS.	MDSE.	TOTAL.
		375				
			400			775
					1750	
27						1777
			93 75			568 95
475 20						
54						
	3250					3304
				750		750
1750						
20						
230 40						
7 20						2007 60
36						
	1375					
		60				1471
2599 80	4625	435	493 75	750	1750	10653 55

SALES

DATE.	F.	SOLD TO	TERMS.	DESCRIPTION.	
F 51	✓	E. J. Shaw & Co.,	Cash,	10 M. Cypress Shingles,	\$ 2.50
				25 " Flat Pickets,	9.50
				80 " Lath,	2.00
				10 pcs. 4x4-18, 240 ft.,	25.00
G 51	✓	T. T. Wilson,	30 d. N. 6%,	50 M. Cypress Shingles,	2.50
				20 pcs. 6x8-36, 2880 ft.,	31.00
				10 " 4x4-18, 240 ft.,	25.00
I 51		W. W. Phipps,	10 days,	15 M. Cypress Shingles,	2.50
				80 " Flat Pickets,	9.50
				90 " Lath,	2.00
				30 pcs. 4x4-18, 720 ft.,	25.00
K 51		E. J. Shaw & Co.,	On acc't,	20 C. Locust Posts,	15.00
				10 M. Flat Pickets,	9.50
				15 " Cypress Shingles,	2.50
M 51	✓	H. C. Clark,	Cash,	25 M. ft. Ash Flooring,	35.00
				50 " Lath,	2.00
				10 " Locust Posts,	15.00
N 51	✓	T. T. Wilson,	Cash,	30 M. Cypress Shingles,	2.50
			10 d. N. 6%,	15 " Flat Pickets,	9.50
				25 " Lath,	2.00
				15 " ft. Ash Flooring,	35.00

139
BOOK.

LUMBER.		FLOORING.	SHINGLES.	LATH.	POSTS.	MDSE.	TOTAL.
			25			237 50	
6				160			428 50
89	28		125				
6							220 28
			37 50			760	
18				180			995 50
			37 50		300	95	432 50
		875		100			
					150		1125
			75			142 50	
		525		50			792 50
119	28	1400	300	490	450	1235	3994 28

CASH RECEIVED.

A	51	Your name,	Investment,	6500		
F	51	✓ Mdse.,	Sold to E. J. Shaw & Co.	428	50	
K	51	E. J. Shaw & Co.,	On acc't,	150		
L	51	Bills Rec.,	Shaw & Co.'s Note,	200		
L	51	Int.,	" "		43	
M	51	✓ Mdse.,	Sold to H. C. Clark,	1125		
N	51	✓ " "	" T. T. Wilson,	450		
		h Total Receipts,				8853 93
						8853 93
		Balance,	On hand,			7198 42
		ms	ms			

JOURNAL.

E	51	H. C. Clark,	On acc't,	300		
		Bills Pay.,	10 d. Note at 6%,			300
G	51	Bills Rec.,	30 Note 6%, T. T. Wilson,	220	28	
	✓	Mdse.,	S. B., pages 138-139,			220 28
H	51	✓ Mdse.,	I. B., pages 136-137,	3304		
		Bills Pay.,	10 d. Note 6%, C. A. Bliss,			3304
K	51	Bills Rec.,	10 d. Note 6%,	200		
		E. J. Shaw & Co.,	On acc't,			200

CASH PAID.

B	51	Expense,	Rent of grounds,	30	
C	51	✓ Mdse,	Bo't of O. M. Powers,	775	
L	51	Disc't,	Shaw & Co.'s Note,	51	
O	51	E. J. Shaw & Co.,	On acc't,	850	
Total Payments,					1655 51
Balance				On hand,	7198 42
					8853 93

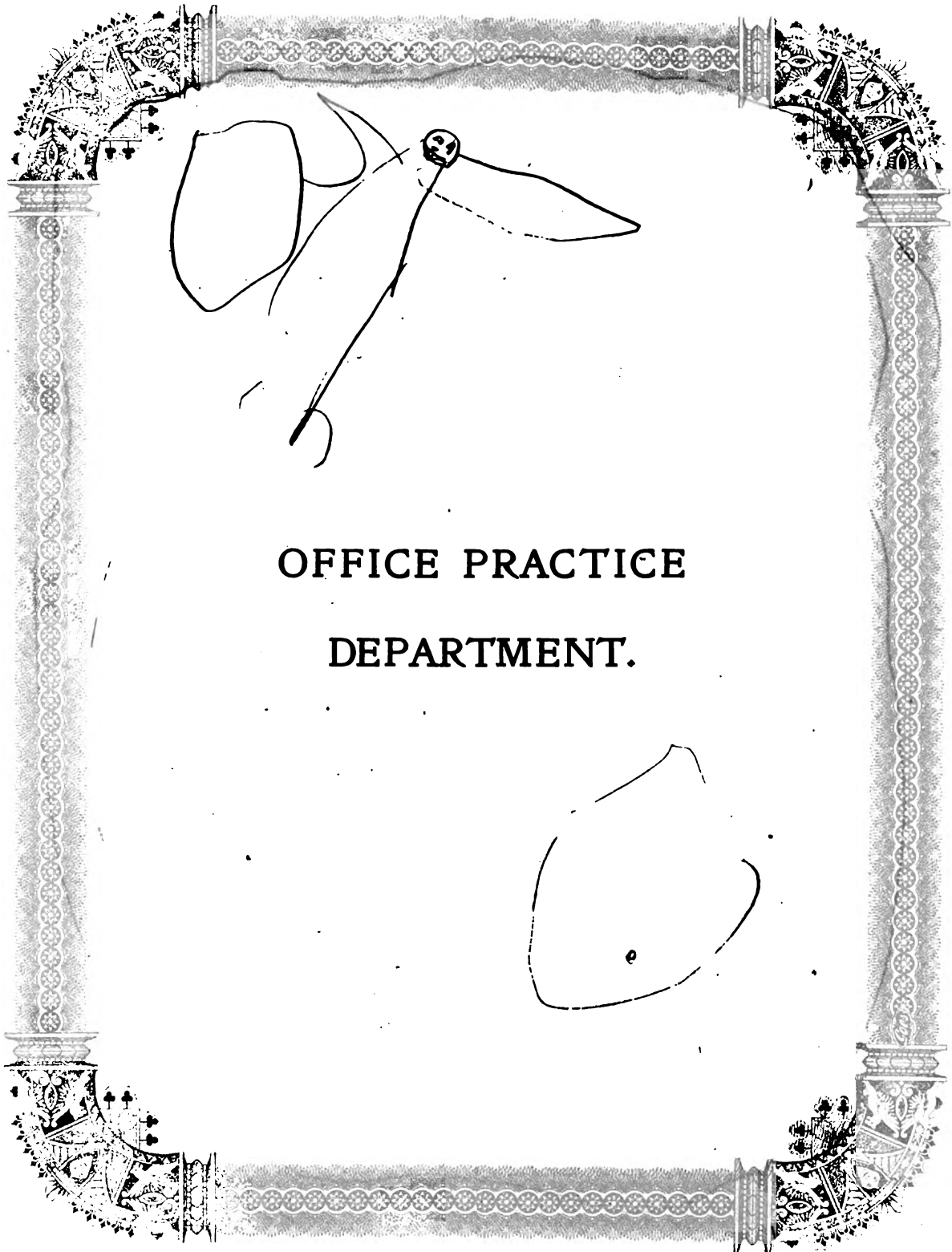
JOURNAL.

N	51	✓ Bills Rec.,	10 d. Note 6%, T. T. Wilson,	342 50	
		Mdse.,	S. B., pages 138-139,		342 50
O	51	E. J. Shaw & Co.,	On acc't,	220 28	
		Bills Rec.,	Wilson's 10 d. Note,		220 28
P	51	✓ Mdse.,	I. B., pages 136-137,	1471	
		Bills Pay.,	10 d. Note, 6%, W. W. Phipps,		1471
Q	51	C. A. Bliss,	In full of acc't,	1777	
		Bills Pay.,	10 d. Note at 6%,		1777

Review Questions.

(Continued from page 114.)

297. What is a Commission House? 298. Name the books used in the Commission Business. 299. For what purpose is the Commission and Sales Book used? 300. What is a Consignment? 301. What is a Shipment? 302. In which book and how do you enter a consignment of goods received by you to be sold on commission? 303. If you pay Cash for freight or drayage on a consignment in which books and how is the entry made? 304. When you sell goods from a consignment for Cash, where and how is the entry made? 305. When you sell goods on account, how is the entry made? 306. When you sell goods from a consignment and receive Cash for part and the balance on account, what entry? 307. What is Commission? On what is commission charged? 308. When and how do you close a consignment? 309. What is an Account of Sales? 310. If the proceeds of a consignment are placed to the shipper's credit, what entry? 311. If the net proceeds are paid in Cash, what entry? 312. Whose business is it to stand all charges for freight, drayage, cooperage, storage, &c.? 313. If, in remitting Cash to the consignor for the net proceeds of a consignment, you should purchase a Bank Draft on which there was charged a premium of 1-8 per cent., would you or the consignor be expected to pay same? 314. How would you determine the amount of premium? 315. In which books and how would you enter the above transaction? 316. What do you understand by Joint Account? 317. If you should receive goods to be sold on joint account, would you charge commission on same? 318. How do you enter a consignment shipped you to be sold on joint account? 319. How close same? 320. Does the lumber business require a special set of books? 321. Name the books used in this business. 322. How is the Invoice Book ruled? 323. What benefit is derived from having a special column for each class of Merchandise? 324. How is each column posted to the Ledger? 325. How can you prove the correctness of this book? 326. How is the Sales Book ruled? 327. How are the footings of this book posted? 328. How can you prove the accurateness of your work in this book? 329. How is the Cash Book and Day Book Journal used in this set? 330. For what purpose is the Order Book used? 331. When the goods are shipped, what entry is made in this book? 332. How do you close the Ledger in this set?



OFFICE PRACTICE
DEPARTMENT.

Office Practice Department.

Student's Progress.

On pages 145 and 146 we present a schedule which shows at a glance the different stages of advancement which the student must pass through in order to complete the work in the Office Practice Department. His advancement from one stage to another will depend entirely upon his own good work, and in no case will he be promoted to the next stage if his work has been inaccurately or carelessly done, or his attendance to business poor.

Length of Period in Each Stage.

The period between promotions from one stage to another will vary from two and one-half to five days, at the option of the Manager of Exchange. We do not advise less than two and one-half days and prefer five, unless the department is extremely large, in which case short periods will be necessary in order that all may pass through the offices.

Promotions also Depend upon Good Work.

We have already stated that a student cannot pass from one stage to another unless his work has been well done. A student's grade must average 85 per cent. or more in each stage before he can be promoted to the next. Failure to obtain a Trial Balance counts off 5 per cent., making out an inaccurate bill counts off 3 per cent., failure to make the Cash on hand balance with the Cash Account counts off 3 per cent., carelessness with the books, such as blotting, erasing, soiling, &c., counts off 3 per cent. for each offense, absence from the office one-half day, unless the student has an excellent excuse for said absence, will count off 5 per cent. A certain per cent. will be deducted for other deficiencies, at the option of the Manager.

One Student can be Promoted Above Another.

As students in the different stages of advancement are all promoted at the same time at the regular promotion periods, it will be necessary at times to promote students having made the required grade over the next one above who has failed. In this case the student promoted will miss one stage while the student who fails will remain where he is for another period.

It is to be hoped that not very many stages will be missed by students in this manner.

Class Review.

The Manager of Exchange will call all of the students of the Office Practice Department before him for a few minutes before the regular work begins each morning. At this time the bookkeeper will be expected to show a Trial Balance for the preceding day's work, while the Invoice and Sales Clerks will be questioned in regard to the accurateness of the Cash on hand, notes on hand, &c.

These class reviews will determine the student's degree of advancement at the next promotion period.

First Office—C. A. Bliss.

BOOKS USED.	FIRST STAGE.
Day Book.	Invoice and Sales Clerk.
Journal.	Cashier.
Balance Column Ledger.	SECOND STAGE.
	Book-keeper.

Second Office—T. T. Wilson.

BOOKS USED.	THIRD STAGE.
Day Book-Journal.	Invoice and Sales Clerk.
Double Balance Column Ledger.	Cashier.
	FOURTH STAGE.
	Book-keeper.

Third Office—H. C. Clark.

BOOKS USED.	FIFTH STAGE.
Six Column Journal.	Invoice and Sales Clerk.
Bills Payable and Receivable Book.	Cashier.
Debit and Credit Balance Ledger.	Keep the Bill Book.
	SIXTH STAGE.
	Book-keeper.

Fourth Office—E. J. Shaw & Co.

BOOKS USED.	SEVENTH STAGE.
Day Book-Journal.	Invoice and Sales Clerk.
Cash Book.	Cashier.
Bill Book.	Keep the Bill Book.
Double Ledger.	EIGHTH STAGE.
	Book-keeper.

Fifth Office—W. W. Phipps.

BOOKS USED.

Invoice Book.
Sales Book.
Special Column Cash Book.
Bill Book.
Center Column Ledger.

NINTH STAGE.

Invoice and Sales Clerk.
Invoice and Sales Book.
Bill Book. Attend to Collections.
Cashier.

TENTH STAGE.

Head Book-keeper.

Sixth Office—O. M. Powers.

BOOKS USED.

Special Column Invoice Book.
Special Column Sales Book.
Special Column Cash Book.
Bill Book.
Double Double Ledger.

ELEVENTH STAGE.

Invoice and Sales Clerk.
Special Column Invoice Book, Special Column
Sales Book, Bill Book and Collection of Notes.
Cashier.

TWELFTH STAGE.

Head Book-keeper.

Seventh Office—G. L. Howe & Co.

BOOKS USED.

Commission and Sales Book.
Day Book-Journal.
Cash Book.
Regular Ledger.

THIRTEENTH STAGE.

Cashier and Book-keeper.
Entire Charge of Office.

Eighth Office—College National Bank.

BOOKS USED.

Receiving Teller's Cash Book.
Paying Teller's Cash Book.
General Cash Book.
Individual Ledger.
General Ledger.
Discount Register.
Discount Tickler.
Collection Register.

FOURTEENTH STAGE.

Receiving Teller's Cash Book.
Collection Register.

FIFTEENTH STAGE.

Paying Teller's Cash Book.
Discount Register and Tickler.

SIXTEENTH STAGE.

Head Book-keeper, Individual and General
Ledger.
Cashier.

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Date.	F.	Debit.	Credit.	Balance.

A hand-drawn irregular shape, possibly a scribble or a doodle, containing the handwritten numbers '2, 1, 2' and '2'.

NAME OF ACCOUNT.

[illegible]

NAME OF ACCOUNT.

[illegible]





